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U.S. Aide Indicates Retreat on Tax Cuts

By Herbert H. Denton
Washington Post Service

WASHINGTON — Treasury Secretary Donald T. Regan has indicated for the first time that the administration might be willing to drop one important part of last year's tax-cut bill, the provision "indexing" taxes to inflation after 1984.

But Mr. Regan said the administration would only be willing to withdraw the indexing provision if Congress agrees to use the increased revenue to reduce the federal budget deficit.

Indexing provides for automatic adjustments to prevent inflation from pushing Americans into ever-higher income tax brackets, a phenomenon known as "bracket creep." Under this provision, personal tax exemptions and tax rates in all brackets would be adjusted to reflect inflation's effect in the previous year.

"If you want higher revenues to spend, that's a no-no as far as we're concerned because we don't want more spending by the federal government; we want less spending by the federal government," Mr. Regan said Saturday during a U.S. television interview.

Meanwhile, senior White House advisers held a first meeting with a team of governors Saturday in an effort to resolve differences over the president's proposal to shift control of federal programs to the states. The results were called inconclusive.

Until now the administration had resisted pressure from worried leaders in Congress for changes in tax and budget policy to reduce deficits. Congressional budget experts have singled out President Reagan's plans for a large-scale military buildup and the indexing provision as primary causes of the escalating deficits predicted in coming years. Indexing is scheduled to take effect in the 1984 budget year, which begins Oct. 1, 1983.

Firm on Tax Cut

The Treasury secretary made it clear Saturday that the administration still refuses to consider changing the three-phase tax cut that is to lead up to the start of indexing. There have been calls in Congress for the president to postpone the final 10 percent tax cut, which is scheduled for July 1, 1983, but Mr. Regan said he would not do so.

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Stockman Sees Deficit Rising By \$5 Billion

By Martin Tolchin
New York Times Service

WASHINGTON — David A. Stockman, the director of the Office of Management and Budget, has informed Congress that he now calculates the budget deficit for the 1983 fiscal year at \$44 billion, almost \$5 billion more than President Reagan originally projected.

The new estimate came before an expected confrontation over the budget between Mr. Reagan and the 53 Republican senators at a luncheon meeting scheduled for Tuesday in the Capitol building.

The senators, almost all of whom have rejected the president's projected deficits, will try to persuade him to let them offer a budget alternative.

But Senate Republican leaders, who had hoped to have such an alternative to present to Mr. Reagan later in the week, acknowledged that they were far from a consensus.

In a letter to key congressional committees received Friday night, Mr. Stockman attributed the increase to revised estimates of the cost of the farm price support program. It has more than tripled, from \$1.9 billion to \$6.8 billion, since the administration originally put forth its budget.

New Crop Information

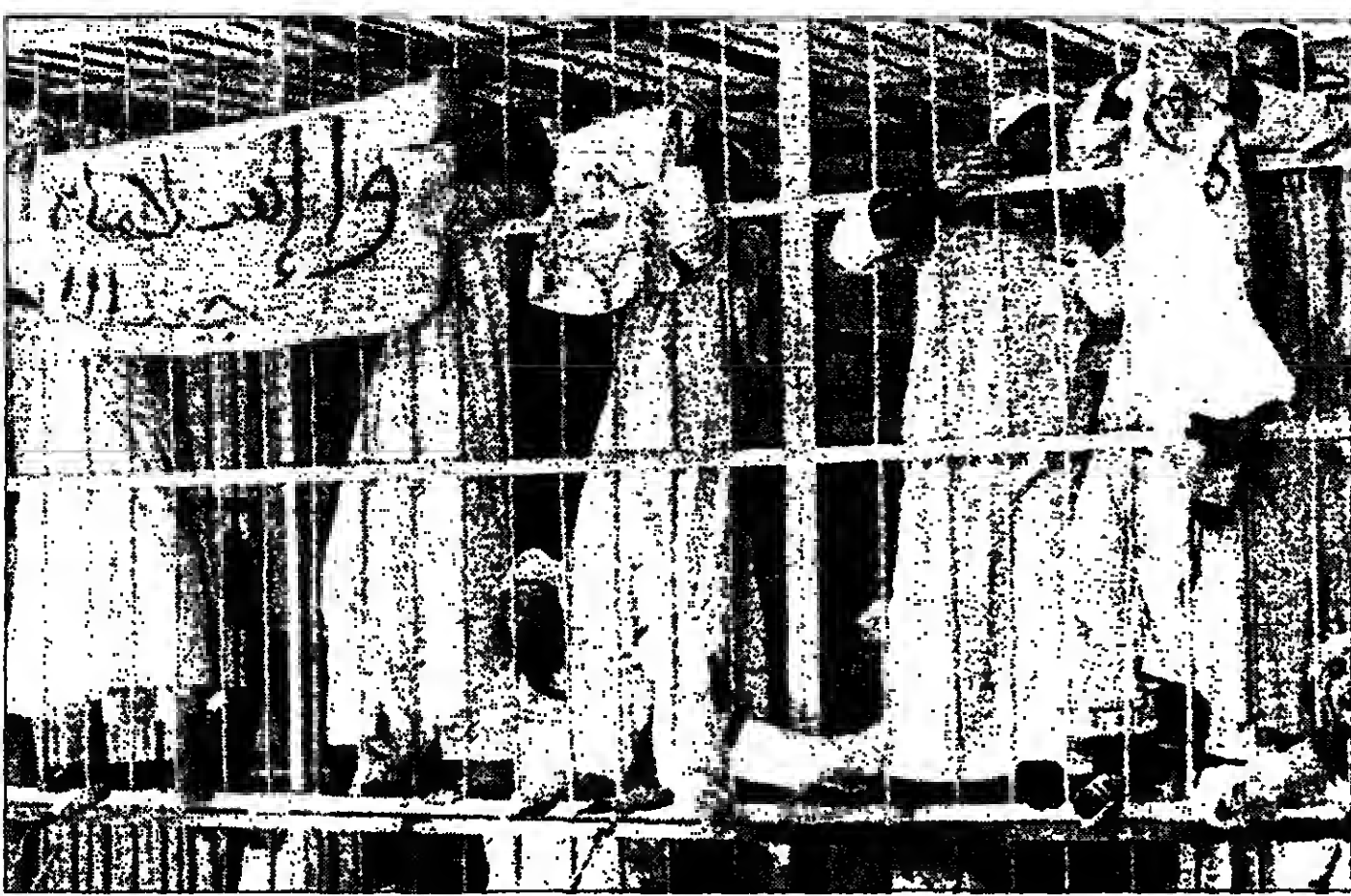
The revised estimate was based on new information on crop size and the amount of rice, wheat, corn, and other commodities that are going into the government reserve, according to a spokesman for the Office of Management and Budget.

The letter marks the first of what may be many revisions of the president's estimated budget. The deficit for the fiscal year 1982, for example, was initially projected at \$37.5 billion and has now risen to \$38 billion. It is expected to climb even higher because of revised estimates of the farm price support program.

The Congressional Budget Office has estimated that the president's 1983 budget will result in a deficit of \$120.6 billion.

Key Senate chairmen had been asked to submit their budget alternatives last week to Sen. Howard

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Some of the 24 Muslim extremist defendants in the Sadat murder trial chant slogans and hold up banners inside their cell in a Cairo courtroom. At bottom center is Lt. Khaled Shawky el-Islambouly, who with four others was sentenced to death.

5 Sentenced to Death for Sadat Assassination

By David B. Ottaway
Washington Post Service

CAIRO — Egypt's supreme military court has sentenced five Muslim extremists to death for the assassination of Anwar Sadat in October, and has meted out sentences ranging from life to five years in prison to 17 accomplices.

Ending a three-and-a-half-month trial that was secret and often contentious, the three-man military court convicted and sentenced 22 of the 24 defendants Saturday at a hastily arranged public session at a heavily guarded Army camp on Cairo's outskirts.

Two of the accused were acquitted, one a blind sheikh, Omar Abdel Rahman, whose preaching it was charged, helped to inspire the assassins.

The sentences must be confirmed by President Hosni Mubarak, and the condemned men have 15 days in which to appeal to him for mercy. Defense lawyers have asked Mr. Mubarak to delay judgment because of what they say were irregularities in the court proceedings.

Most observers here doubt, however, that Mr. Mubarak will show much leniency toward the five chief defendants, who were charged with killing Sadat and seven other persons on a military reviewing stand Oct. 6.

The state-controlled press said Saturday that the government was about to indict another 1,000 Muslim extremists arrested after Mr. Sadat's killing who belong to Jihad, the group to which the convicted men reportedly had ties.

This would mark by far the largest trial of Muslim extremists here and it appears to indicate a tough line by Mr. Mubarak in dealing with religious fanatics.

Before the chief judge, Maj. Gen. Samir Attia, read the verdicts and sentences to 150 reporters, a power failure in the military camp caused the final proceedings to be suspended two hours. The judges set up a makeshift court in the lobby of the court building.

The judges then said the defendants could not be present because they were shouting and making too much trouble, while the 35-man defense team was absent because it had been dismissed by the military judges during Wednesday's session.

Other lawyers were appointed by the court but it could not be determined whether any of them were present for Saturday's final chaotic session.

[The state security prosecutor Sunday questioned Abdel Halim Ramadan, one of about 35 lawyers who defended Sadat's accused assassins, on charges of insulting the tribunal and disclosing details of the secret hearings, state-controlled newspapers reported, according to United Press International. Mr. Ramadan's wife said her husband was arrested at his home by policemen accompanied by the prosecutor.]

Reporters were allowed into the main courtroom, where the 24 defendants were locked into four steel-bar cages, shouting slogans and denouncing the court and trial as a sham.

The cages were decorated with banners bearing Islamic sayings, several hangmen's nooses and a single Star of David from which hung a rope, apparently to indicate another noose.

All of the defendants except one wore long white robes and skullcaps and appeared tense and defiant throughout the 20-minute-long public session allowed to them. All appeared in good health.

The group included five active or retired Army members and 19 civilians, many of them students. Only one was in uniform, Lt. Col. Abdul Latif el-Zomor, 35, a member of the army's intelligence service who was said to have abetted the assassins and to have plotted another attempt on Mr. Sadat's life.

Both he and his brother, Tariq Zomor, a student, were sentenced to life in prison, while Lt. Islam-bouly and the three other participants in the attack — a sergeant and two reserve officers — were condemned to death.

The fifth person to receive a death sentence was Mohammed Abdel Salam Farag, an engineer, who the military prosecution identified as the mastermind of the October assassination plot.

Mitterrand in Israel: A Message of Friendship

By Richard Eder
New York Times Service

TEL AVIV — In a side room at a hotel here, just before plunging into a crowd of French residents who had eaten a 60-plate buffet lunch while waiting for him, President Francois Mitterrand reflected on the two-day visit he was about to end.

"The only new thing," he said Friday, "was that I said the same thing." In Israel, where his visit, a 15-year-old practice of official French aloofness, Mr. Mitterrand coupled warm words for the Israelis with an assertion that the Palestinians were a people with the right to a state.

Earlier, in visits to Egypt, Algeria and Saudi Arabia, he coupled warm words for the Palestinians with the assertion that Israel was a legitimate state with a right to security.

"When you think of what I said here, and that I said the same thing to the Arabs, and that I have been able to do this while being received with sympathy everywhere, well, that is something," Mr. Mitterrand told the journalists crowded around him.

It was an appropriate summation of the important, often moving, sometimes awkward and always fragile venture that the French president undertook by coming here. Mr. Mitterrand did not budge the Israeli government. Prime Minister Menachem Begin did not bring Mr. Mitterrand any closer than the sympathetic middle distance he arrived with. Yet, as the president's plane took off, both sides were proclaiming it a tentative success.

"It is the visit that will be the real speech," an aide of the president said early in the week. There were, in fact, plenty of speeches, some of them eloquent, but taken literally, they contained more divergence than agreement.

Publicly and privately, Mr. Begin asserted the impossibility of dealing with the Palestine Liberation Organization or of giving more than limited autonomy to the Palestinians in the West Bank. He tried to persuade the French of the virtues of his limited autonomy offer, but not successfully.

"It is better than what the Flemish and the Walloons have in Belgium," he said, not mentioning that local autonomy apart, the Flemish and the Walloons both get to run Belgium.

Mr. Mitterrand repeated, in language chosen to give the least offense to the sensibilities of his hosts, what his foreign minister, Claude Cheysson, has stated in harsher words. France believes that Israel must make way for a West Bank state and will eventually have to deal with the P.L.O.

On the other hand, the president insisted that the P.L.O. must first recognize Israel, and he suggested that the frontiers of a West Bank state should be drawn to take account of Israel's security.

All this made for an impasse, although it was an impasse basically agreed upon in advance and thus (Continued on Page 2, Col. 7)

U.S. Reportedly Aids Anti-Khomeini Exiles

By Leslie H. Gelb
New York Times Service

WASHINGTON — The United States is secretly aiding Iranian paramilitary and political exile groups and beaming radio propaganda into Iran to counter growing Soviet influence there and to play a role of its own in the event that Ayatollah Ruhollah Khomeini's Islamic regime falters, according to Western intelligence officials and other sources.

The Western intelligence sources insisted, however, that no efforts were being made to overthrow or destabilize the Islamic fundamentalist government.

The goal of the program, which is being run by the Central Intelligence Agency, is said to be to knit together a coalition of exile groups and their supporters in Iran so that if the opportunity arises they can become a significant factor in shaping Iran's future.

Concerned About Ties

But all of the sources agreed that the CIA had had no success in persuading the contending factions to work together. The factions are generally described as at least as interested in destroying each other as in fighting the Khomeini regime.

Two non-American sources who provided initial information about the covert operations of both Moscow and Washington gave the impression that they were concerned that U.S. ties to exile leaders who had no chance of gaining power in Iran were shackling the United States to a losing cause.

In particular, they said, they were concerned about any U.S. identification with the family and supporters of the late shah and with Abolhasan Bani-Sadr, the former Iranian president who fled his country last year.

According to Western intelligence officials, the largest of the two paramilitary units, based in eastern Turkey, has 6,000 to 8,000 men, mostly Iranian exiles but also Kurds, under the command of former Rear Adm. Ahmad Madani. Adm. Madani was commander in chief of the Iranian Navy under the shah and was court-martialed by the shah for "being against the government."

He was also the first defense minister in Ayatollah Khomeini's government and ran unsuccessfully for president in 1980 against Mr. Bani-Sadr. He is generally described as neither an Islamic revolutionary nor a monarchist and tries to project the image of a strongman.

The second unit, described by the sources as no more than about 2,000 men, is commanded by Gen. Bahram Aryana, the former chief of staff of the Iranian Army under the shah. This unit may be part of an organization of former pro-monarchist military officers known as Azadegan, which Gen. Aryana also leads. Azadegan, which means "born free," took responsibility for the hijacking of a French-built patrol boat last August that was on its way to Iran.

Described as Nationalists

Gen. Aryana and Azadegan describe themselves as moderate Socialists and nationalists. The shah is said to be maintaining close ties to Shapur Bakhtiari, the last premier under the shah.

The sources seemed to imply that the CIA's links to Adm. Madani were much closer than those to Gen. Aryana.

CIA support for the two units was said to run to millions of dollars, but no reliable figure could be obtained. Some of the sources maintained that the United States was also providing the units with arms, and the sources had documentary evidence to back this up.

But by another authoritative account, if there are arms going to the units, they are being supplied or arranged for by someone or some agency other than the CIA. In any event, the two units are not said to have heavy arms.

According to the sources, the CIA and other administration officials have given two different but not mutually exclusive explanations for supporting the paramilitary units. To some, support has been justified as potentially useful in harassing the flanks of Soviet armed forces that might invade Iran. Others have been told that it was to have some force able to enter Iran in a civil war or domestic upheaval to protect and bolster central forces.

No Anti-Khomeini Action

Some of the sources insisted that the leaders of the units had been told that the United States would not support any military action by them against the Khomeini government.

It could not be learned authoritatively whether the government of Turkey is aware of the presence of these units on Turkish soil near the Iranian border.

It was learned that the Reagan administration, as required by law, has briefed the Senate and House intelligence committees on at least part of the program for these paramilitary forces and on at least part of the other covert operations.

Another part of the covert program has been the establishment of a radio station to broadcast anti-Soviet and anti-Khomeini information. Regular features include reports on long food lines, pockets of opposition and small

(Continued on Page 2, Col. 1)

Reagan, Altering Tone, Now All but Rules Out U.S. Troops for Salvador

By Philip J. Hilt
Washington Post Service

WASHINGTON — Without actually changing policy, the Reagan administration is suggesting that the president has virtually ruled out sending U.S. troops to El Salvador.

"We are trying to outflank the Democrats," a well-placed White House official said Saturday in California.

President Reagan previously has said only that he had "no plans" to send U.S. combat troops "anyplace in the world" and has been careful not to go beyond that formulation.

Now the emphasis has changed. Aides are saying privately that Mr. Reagan has all but ruled out such use of troops, that he doubts the Pentagon could win a short-term victory in El Salvador except with a large commitment that would involve diversion of U.S. forces from other vital regions, and that in any case he doubts such a victory would produce stability in the region over the long run.

Byrd's Proposal

The remarks come amid rising political uneasiness over Mr. Reagan's intentions in Latin America. On Saturday, Senate Minority Leader Robert C. Byrd, a West Virginia Democrat, said he will introduce an amendment to the War Powers Act that would require prior congressional approval before U.S. combat troops could be sent to El Salvador.

The act, passed in 1973, allows the president to commit troops to combat on his own but requires him to seek congressional approval of such action within 60 days.

Larry Speakes, the White House

deputy press secretary, said Saturday that such an amendment is not necessary. While refusing to rule out military action as an option, Mr. Speakes said that the administration believes that the U.S.-backed El Salvador government can prevail against rebel troops with U.S. military assistance but without U.S. combat forces.

Sen. Byrd said he was worried about a beating up of administration rhetoric on El Salvador and the possible future use of troops. "I don't want to see escalating rhetoric followed by escalating involvement... such as we had in Vietnam," he said.

'Exaggerated Idea'

Earlier, Mr. Speakes said that the notion of sending U.S. troops to El Salvador is "an exaggerated idea."

Another official said the administration is engaged in "political warfare" with opponents of its El Salvador policy and added that there have never been any plans to send U.S. forces into El Salvador beyond the few advisers who are helping to train Salvadoran soldiers.

Administration officials acknowledged, however, that they face a difficult political problem on the troops issue because President Reagan has refused to flatly rule out use of U.S. combat forces in the region. Mr. Reagan contends that an absolute pledge not to send forces would give the rebels assurance that might make it more difficult for the El Salvador government to prevail.

In El Salvador, Mr. Reagan would like the sending of U.S. troops to be seen as a last-ditch option if the rebels appear to be winning. On Capitol Hill, Mr. Reagan would like congressional leaders to accept the pledge that no use of U.S. troops is contemplated.

While Mr. Speakes was talking to reporters in the White House press center in Santa Barbara, Calif., 18 miles (29 kilometers) from the president's mountaintop retreat, about 200 people across the street from the press center demonstrated against U.S. intervention in El Salvador.

In New York Saturday, Mexico presented the United States with details of a proposal for a regional political solution through "an exchange of mutual concessions" between the United States and leftist nations and forces in Central America.

According to Foreign Minister Jorge Castañeda of Mexico, who gave the plans to Secretary of State Alexander M. Haig Jr. in a two-and-a-half-hour meeting, Mr. Haig did not reject anything out of hand. The Mexican official indicated that he expected a reply, though not necessarily a definitive one, from Mr. Haig next weekend.

Saturday's session followed up on the peace proposals made public by Mexican President José López Portillo two weeks ago. The first U.S. reaction was cool; U.S. officials noted that the Mexican plan did not explicitly address the question of Nicaraguan support for rebels in El Salvador.

Mr. Haig indicated Saturday that he asked Mexico to add a ban on Nicaraguan intervention to the list of Mexico's principal proposals. Mr. Castañeda said at a press conference that the issue of outside arms in El Salvador is "one of the most important ones and it has to be solved."



A Salvadoran police official displays a composite sketch of the Nicaraguan who escaped from Salvadoran security officials and who has sought political asylum at the Mexican Embassy.

El Salvador and Mexico Disagree On Activities of Captured 'Rebel'

By Joanne Omang
Washington Post Service

SAN SALVADOR — The capture of a Nicaraguan "military man" that U.S. Secretary of State Alexander M. Haig Jr. says is proof of Nicaraguan intervention here is being described by Salvadoran police officials as a newly trained guerrilla platoon leader and by Mexican officials as an innocent student trying to go home.

The man escaped from Salvadoran security officials last Monday and is in the Mexican Embassy, where he has asked for political asylum.

In another development, sources in Mexico City said they had seen documents prepared by Salvadoran insurgent leaders outlining a four-step plan for a cease-fire and establishment of a broad-based government.

El Salvador's national police chief, Col. Carlos Reynaldo López, said at a news conference that until last Monday his police were questioning a young man who had been arrested Feb. 20 or 21 as he was coming through customs on the Guatemalan border.

Grabbed Inside

The colonel said the man confessed that he had gone through guerrilla training in Mexico and was being taken to the Mexican Embassy to point out a collaborator there when he "was grabbed" by people inside the embassy.

Other Salvadoran officials said interrogation revealed that the man was a ranking Nicaraguan official of the ruling Sandinista National Liberation Front, sent to lead Salvadoran guerrillas.

In a written statement, President José Napoleón Duarte said Sunday that the Nicaraguan's confession and other evidence in the possession of the national police proved he was "without doubt, an agent of the Sandinista government of Nicaragua, trained in

Mexico to take part in the effort to overthrow the government of El Salvador," the Associated Press reported.

In a statement from Mexico City, the Mexican government denied the Salvadoran reports. The undersecretary of Foreign Affairs, Alfonso Rosenzweig Díaz, said the Nicaraguan was a student at the Autonomous University of Nuevo León in Monterrey, Mexico, who was traveling home by road during a semester break.

Mr. Rosenzweig and Foreign Ministry spokesmen said the student had convinced the Salvadoran police that he had a "contact man" in the Mexican Embassy whom he was willing to turn in.

Banged on Door

Taken to the embassy by two security officials, the Mexicans said, the Nicaraguan, who was identified in all versions of the story as Legdamis Anaxías Gutiérrez, broke away from the officials, banged on the door and told the charge d'affaires, Carlos Eduardo Amezcua, that he was a Nicaraguan seeking asylum.

Mr. Amezcua barred the door to the pursuing Salvadorans, the Mexicans said. Mr. Gutiérrez, the Mexican spokesman said, "was not pulled in the door by anybody."

The Mexicans said they had verified Mr. Gutiérrez' student status with the rector of the Monterrey university. They said they have requested that he be permitted to leave El Salvador under diplomatic protection.

Mexico, which has advocated a negotiated solution to the Salvadoran conflict, has strained relations with the government here and maintains a staff of only three embassy officials.

What has emerged as a confusing situation began Thursday, when Mr. Haig told a congressional subcommittee that the Salvadoran government had "today for the first time" captured "a Nicara-

guan military man" sent by Nicaraguan leaders to help run the Salvadoran insurgency.

In Managua, the Nicaraguan government made no comment on Mr. Haig's charges.

Although the Salvadoran government (Continued on Page 2, Col. 4)

INSIDE

OPEC to Meet

OPEC, in its long-awaited response to the world oil glut, will try to coordinate cuts in its oil production to defend current prices. The organization's oil ministers have scheduled an emergency meeting March 19 in Vienna to clinch the production ceiling agreement, Page 7.

Glemp's Warning

In Warsaw, Poland's Roman Catholic primate, Archbishop Józef Glemp, said the Polish church could be facing the most delicate moment in its history, Page 3.

Indian Press

In what is viewed as a major test of Indian constitutional guarantees of freedom of the press, an Indian court has barred a leading New Delhi news magazine from writing about the business dealings of a political ally of Prime Minister Indira Gandhi, Page 5.

Ayn Rand Dies

Ayn Rand, 77, the writer and philosopher best known for her novels "The Fountainhead" and "Atlas Shrugged," died in New York City, Page 6.

El Salvador Land Reform Leaves Bulk of Wealth With Few

By Raymond Bonner

New York Times Service

SAN SALVADOR — It has been two years since the government of El Salvador, facing a leftist-led insurrection and under pressure from the United States, announced what President Reagan recently called an "unprecedented" land redistribution.

Since then, the country's largest private plantations have been converted to peasant cooperatives and thousands of peasants have become the provisional owners of the tiny plots they once rented. But some 1,700 large farms have not been converted, as the plan originally called for, because what is known as Phase II never went into effect. The bulk of the country's agricultural wealth remains in the hands of a small number of families.

Land to the Tiller

"At present, we are opposed to Phase II," said a U.S. Embassy official, adding that it might be carried out "in five to 10 years." U.S. officials will not allow their names to be used when speaking about the program, primarily because it is such a volatile issue here. Two U.S. advisers to the program and the head of El Salvador's Institute for Agrarian Transformation were assassinated in the coffee shop of the Sheraton Hotel in January of last year.

The first phase of the program expropriated all estates larger than 1,235 acres, providing compensation to the former owners, and converted the estates to peasant cooperatives. Under Phase I, the similar expropriation and conversion would be extended to farms of more than 247 acres.

On April 29, 1980, Phase III, known as the "land-to-the-tiller" law, was decreed.

It permits peasants to buy up to 17 acres of the land they have been working as tenant farmers or sharecroppers.

U.S. and some Salvadoran officials oppose the second phase for political and economic reasons. The farms that would be affected are owned by middle- and upper-middle-class Salvadorans, and the civilian-military government, trying to broaden its support, does not want to alienate them. U.S. and Salvadoran officials also worry that any interference with these farms, which generate the bulk of the country's export earnings, would damage El Salvador's already battered economy.

The U.S. ambassador, Deane R. Hinton, recently acclaimed the redistribution as "the most revolutionary land reform in Latin American history."

A Salvadoran university professor sympathetic to the social and economic goals of the leftist rebels countered: "It is not revolutionary because it is not designed to benefit the people, but to isolate and destroy the left. I don't say there is no reform, but it is so insignificant that gigantic repression is needed against the peasants."

And on the right, one of the country's major newspapers, *El Diario de Hoy*, declared in an editorial that the program will have the same consequences as the one imposed by the United States in Vietnam: "a mortal blow to the economy of the country."

Power of the Oligarchy

Some 384,000 peasants have benefited from the conversion of the largest farms under Phase I, the program's supporters argue. Critics say this is only half of the potential Phase I beneficiaries.

About 20,000 peasants have received provisional titles to the tiny plots they

worked as tenant farmers. But the Salvadoran government has estimated there are 150,000 potential land-to-the-tiller beneficiaries, and to date no one has received a clear title.

El Salvador's farm-based economy, wealth has long been measured primarily by the amount of land one owns. Coffee, cotton and sugar bring in about 75 percent of the country's export earnings.

The land program "has broken the power of the oligarchy, and to that extent has been successful," a U.S. Embassy spokesman said.

"It is unquestionable that this agrarian reform has moved the country forward in the sense that it is a tremendous feat," said the university professor. But he argued that, because Phase II has not been carried out, there has not been a meaningful shift of wealth.

Almost all of El Salvador's coffee, the country's most important cash crop, is grown on farms of 247 to 1,235 acres, those that would be converted under Phase II.

'No Great Enthusiasm'

Publicly, senior Salvadoran government officials say that Phase II has been "suspended," that some day it will be put into effect. But with the United States opposed to Phase II, Salvadoran officials concede privately that it probably will not be carried out.

While about half a million peasants have benefited from Phases I and II, a study conducted by a private consulting firm for the Agency for International Development says that "the agrarian reform will not solve the problem" of some 740,000 landless rural poor.

Even those who have benefited have not

always become staunch government supporters.

"There is no great enthusiasm" for the government among the peasants, "because the massacres and violations of human rights continue," a senior Roman Catholic Church official said in a recent interview.

The church leader compared the land program to a man who gives his wife \$2,000 but at the same time continues to beat her. "She returns the \$2,000 and says treat me like a person."

Backers and challengers of the program do agree on one thing: It has been inefficiently administered.

Problem With Getting Credit

Access to credit and financing has been a major problem, especially on the Phase I cooperatives. Along with the land redistribution announced in March, 1980, the government also nationalized the banks, largely to make more credit available to the cooperatives.

The credit problem is in evidence at San Cayetano, once a lucrative cattle ranch owned by one of the country's wealthiest families. Anticipating the government's expropriation, the owners rushed about 900 dairy and beef cattle to Guatemala and the slaughterhouse.

Eight months ago, a visitor to what is now a 1,500-acre cooperative managed by the peasants saw weed-infested pastures and empty milking stalls. The cooperative was seeking financing to start a new herd.

Returning last week, the visitor was told by directors of the cooperative that six days earlier they had bought 15 cows. Requests for loans to allow them to buy 100 more have been pending for more than a year.

A 23-year-old government agronomist

assigned to help the peasants manage San Cayetano explained that cattle ranching, while profitable, does not require a lot of labor. So government policy favors credits for seed, fertilizer and wages to plant crops that generate employment.

The 31-year-old president of the cooperative, René de Jesús Alvarán, who like his parents was born on San Cayetano, said he was worried that the credits that the cooperative had been granted would not be made available in time to start planting later this month. He said the cooperative had not been paid for about 60,000 pounds (27,000 kilograms) of coffee it delivered to the state coffee institute in November, or even told the crop's value.

Better Lives?

According to San Cayetano's accountant, a 40-year-old father of seven who has had only three years of formal schooling, the cooperative expects a \$14,000 profit for the 1981-82 agricultural year and hopes to earn \$24,000 next year.

Most of the cooperative's members seem uncertain whether their lives are better now than they were when they worked for the owner, who paid them a salary, usually about \$3 a day.

"We had doctors, medicines, bonuses and vacations," said the cooperative's vice president, Victor Manuel Guerra, 36, listing some of the former benefits.

Sitting in the small farm office, where a picture of the former owner still hangs over shuttered windows that open onto a tranquil vista of tropical trees and forested slopes, Mr. Guerra added: "Before we worked for a salary. Now we work for ourselves, so we must work harder. But a lot of the members don't understand that yet."

WORLD NEWS BRIEFS

Settlers Block Roads in West Bank

United Press International

TEL AVIV — Jewish settlers set up dozens of roadblocks Sunday in the occupied West Bank to protest the Israeli withdrawal from the Sinai, Israeli radio reported.

The army dismantled the barricades a few hours after they went up in the early morning along four main West Bank roads. There were no reports of violence between the troops and settlers.

But angry Israeli motorists clashed with settlers at a roadblock near the West Bank settlement of Meholah, 5 kilometers (3 miles) west of the Jordan River, and forced them to open the road, the radio said. Reserve army soldiers driving to camp used the backs of submachine guns to smash the headlights of a tractor the Meholah settlers had used to block the road, according to the report.

Assad Accuses U.S., Iraq of Sabotage

Reuters

DAMASCUS — President Hafez al-Assad accused Iraq and the United States Sunday of encouraging murder and sabotage in Syria.

Tens of thousands of Syrians turned out for the speech celebrating the anniversary of the 1963 revolution that brought Mr. Assad's party to power. He said Iraq had smuggled arms and explosives with help from the CIA to the Moslem Brotherhood, which led a revolt in the Syrian town of Hama last month.

Mr. Assad, who was carried through the streets after the speech, said the United States incited the revolt because it was angered by a United Nations resolution calling for penalties against Israel for its annexation of the Syrian Golan Heights. He said Iraq's president, Saddam Hussein, "came to Syria to practice his favorite hobbies, like a drinker of blood."

Hussein Sees Peace Process Ending

Reuters

WASHINGTON — Jordan's King Hussein said in an interview published Sunday that the Camp David peace process would be finished soon after Israel completes its withdrawal from the Sinai next month.

King Hussein also told U.S. News and World Report magazine that he was interested in buying U.S. F-16 and F-5G jet fighters and air defense missiles. Reports last month that the United States may sell such weapons to Jordan drew strong protests from Israel.

"I believe the end is in sight for Camp David with the Israeli withdrawal from Sinai," the king said. "Israel now says that the occupied territories belong to Israel. The Arabs say the occupation must end and the people granted self-determination. I cannot see how these two positions can be reconciled."

Morocco Warns OAU Over Polisario

New York Times Service

RABAT, Morocco — Morocco urged African leaders Sunday to rescind immediately the recent decision by the Organization of African Unity to admit the Polisario Front as the organization's 51st member or face the prospect of an imminent breakup of the OAU.

"African heads of state should urgently declare null and void the irresponsible actions taken in Addis Ababa last week by the OAU's secretary-general under pressure from Algeria and other activist countries," said Abdelhak Tazi, the Moroccan secretary of state, in an interview. He called for the resignation of the OAU secretary-general, Edem Kodjo of Togo.

Nineteen OAU states boycotted the final session of OAU foreign ministers as part of a Moroccan-led protest over the seating of the Polisario Front as the Sahara Arab Democratic Republic, and Mr. Tazi raised the possibility that the 19 would torpedo the OAU summit meeting in Tripoli next August.

But he said Morocco stood by earlier OAU decisions to push for a cease-fire and an internationally supervised referendum in the Western Sahara, where its forces are fighting Polisario guerrillas.

Mitterrand Voyage to Israel Seen as Friendship Message

(Continued from Page 1)

not likely to jeopardize a visit. What Mr. Mitterrand contributed was not a new policy; it was his personal ability to symbolize French affection where previous leaders, from Charles de Gaulle to Georges Pompidou, to Valéry Giscard d'Estaing, only seemed to symbolize French indifference.

It was the emotional notes that sounded most successfully. Israel, perhaps more than any other country, asserts its views with a burning conviction of the immediacy of its history. Mr. Mitterrand, pale and soft-spoken, has his own passionate historical sense.

When he stood before parliament, everyone was aware that during his long years in opposition he came to Israel time and again, admiring the dedication with which the Israelis had built up a country with an egalitarian vision for themselves that he was trying to find for France.

German Questionnaire

Many of them knew that his closest associate was Georges Dayan, a French Jew who was in a German prison camp with him and is now dead. At a dinner, the assembled politicians listened intently as he told of a questionnaire that the Germans had passed out ordering the prisoners to list their religion. Mr. Mitterrand reminded, blending his friend's words with his own.

"After all, I'm not a believer, but since they ask me, well, yes, I am a Jew. And he signed in the register of Hitler's Germany in 1941: 'I am of the Jewish religion.' I think it was the first time he realized it."

Many foreign leaders have come to Israel to praise the heroism of the Israelis. Few, if any, have done it in such immediate and personal terms. When Mr. Mitterrand told Israel's leadership that the unwelcome things he was saying were said by a friend, the term had more authenticity than usual.

There was plenty of sharpness as well, and considering some of the affinities of the two countries, the dispute, censoriousness, and wit, perhaps this sharpness helped things along as much as the emotion did.

There was something of a clash of cultures. As, for example, when the French ambassador complained to the Jerusalem Post about the Israeli notion of the sorbet to be served to Mr. Mitterrand. "It was Oriental in conception," the ambassador said, "lavishly decorated, with little cookies stuck on top. It had three strawberries on top, whereas a French sorbet may have one strawberry only."

Instinct for Harmony

Some of the more piquant comments came in a joint news conference held by Mr. Mitterrand and Mr. Begin. They had been through two days of talks, and the instinct for harmony was somewhat eroded.

When Mr. Mitterrand was asked whether he had invited Mr. Begin to Paris, and gave a vague answer, Mr. Begin came back a few minutes of silence. There was room for French-Israeli cooperation everywhere, he said, "even in Paris — if I am invited."

Mr. Mitterrand arrived in a wind-driven rain. By the time he reached Jerusalem, the weather cleared and the entire visit took

U.S. Is Said to Aid Anti-Khomeini Exiles

(Continued from Page 1)

uprisings against the clergy and Revolutionary Guards, reports of torture and killings by the government and charges that Iranian Communists and other agents of the Soviet Union are gaining control of Iran.

The sources told of the CIA connection with the radio station on the condition that its location not be published.

Exiles in France and Egypt

The CIA is also financing Iranian exile groups said to be principally in France and Egypt. Western intelligence sources said that support had been available to groups on the left up to but not including Mr. Bani-Sadr and to groups on the right up to but not including the monarchist factions.

Specifically, it could not be ascertained what CIA links there might be with Gen. Gholam Ali Oveisi, an army general under the shah who now leads the Iranian Salvation Movement and has ties to Iran, nor with Princess Ashraf, the shah's twin sister. The princess is said to head the monarchist movement. In general, these groups seem to endorse the late shah's heir, Prince Reza Pahlavi. CIA financing for these groups

was said to run to the millions of dollars, but no precise amount could be learned.

Western intelligence sources said that the one benefit so far has been that these groups provide the main source of intelligence on Iran. Administration sources said, however, that there has been little opportunity to check the reliability of the information.

Western intelligence sources recognize that these networks serve their own interests in portraying Soviet influence in order to generate more U.S. support for themselves. These networks, plus what little is left of Western intelligence in the area and U.S. surveillance of Iran, have produced the following outline of Soviet covert activity since the Islamic revolution.

Soviet Actions

At the beginning of the revolution in late 1978, with Ayatollah Khomeini attacking the Soviet Union and its Iranian supporters almost as sharply as he did the United States, Moscow operated mostly around the edges of Iran. Some money and arms were provided to Kurds, Azerbaijanis, and Baluchis — the leading minority groups in Iran — and it seemed that Moscow might be trying to fragment the

country. But soon, for reasons not entirely clear, Moscow either stopped the aid or reduced it to a level where it became unnoticed.

In the meantime, Moscow was sending some Moslem Soviet citizens to infiltrate the Mujahidin, an Islamic fundamentalist guerrilla movement, apparently with little success, and the Fedayeen Khalqor People's Fighters, a secular Marxist group, apparently with better results.

At the same time, Moscow was building up its divisions on the Iranian border to about 24, an increase of two, and increasing the readiness of these forces. But these are not the best Soviet troops, and Western intelligence sources insist that recent reports of a continuing significant Soviet buildup on Iran's borders are inaccurate.

All the while, the National Voice of Iran, situated in the Soviet city of Baku, broadcast support for the revolution and warnings against "American imperialism" and secret U.S. plots to overturn the revolution.

Growing Contacts

Western intelligence analysts maintain that the best measure of the effectiveness of the Tudeh Party and other Soviet supporters in Iran has been the growing open contacts and dealings between Iran and the Soviet Union and nations friendly to Moscow. These analysts speculate that this is a major reason for Moscow's probably having scrapped its initial strategy of attempting to fragment Iran.

Soviet Embassy personnel in Tehran are said to number nearly 200, almost four times the number in the days of the shah. Soviet allies and friends, such as Libya, North Korea and Syria are providing Iran with arms and technical advisers.

Recently, and most significantly, the Soviet Union and Iran signed agreements for Soviet aid in building and running two gas-powered electric plants. At the time of the signing, Iran's energy minister, Hassan Ghafurifard, said, "We consider the Soviet Union a friendly country." This was a substantial change from the established Iranian line that the United States and the Soviet Union were virtually equal "Satans."

Tehran Guerrilla Battle

BEIRUT (AP) — Government forces and Mujahidin Khalq guerrillas clashed in a gun battle in northern Tehran Sunday, and five persons were killed, Tehran radio reported.

Key Reagan Assistant Hints At Retreat on Tax Measure

(Continued from Page 1)

Regan said he thinks doing so would abort economic recovery.

He said, however, that the administration would consider removing the indexing provision, which Mr. Reagan described in his State of the Union address as a significant innovation that would take away "government's built-in profit on inflation and its hidden incentive to grow larger at the expense of American workers."

Mr. Reagan said: "Indexing we'd discuss. It wasn't part of the president's original package. It was something he wanted at a later date."

The secretary also said the administration would be willing to discuss changes in the so-called leasing provision of last year's tax bill that allows profitable companies to buy tax credits from losing firms. But Mr. Reagan said the administration wants to defer discussion until after the Treasury completes a study "of actually what happened last year to leasing after the Congress passed that bill."

Brushing aside the warnings of



Guatemalan soldiers stood guard as workers filled in trenches cut into a bridge on a dirt road near the Pan American Highway. Security operations were increased prior to the country's elections.

Guatemala Turnout Is Heavy Amid Violence

The Associated Press

GUATEMALA CITY — Guatemalans crowded polling places Sunday in a heavy turnout that challenged leftist appeals to boycott the election of a president, congress and municipal authorities.

Despite election eve violence that killed at least 36 persons, thousands lined up at schools, parks and on soccer fields, waiting to vote while listening to marlinas, the country's traditional musical instrument.

Three civilians and a general are running for president. All have

promised action to eliminate leftist insurgency.

The chief of security for Gen. Angel Anibal Guevara, candidate of the party that has held power for the last 12 years, died Saturday in Guatemala City when a car packed with dynamite exploded as his automobile passed it. The general was elsewhere.

Minutes before the polls opened, unidentified gunmen drove past a voting station on the south side of Guatemala City and fired a flurry of bullets, wounding two civilians and a security guard, police said.

Activities of 'Rebel' Disputed

(Continued from Page 1)

ernment early Friday declined comment on the situation, the version presented at the news conference later said that the man in question, a native of Managua, was traveling on a provisional Nicaraguan passport. Col. López Nula said he was stopped "when he couldn't specify any exact manner what the purpose of his visit to El Salvador was, if he had any friends or where he would stay."

Col. López Nula said that under questioning Mr. Gutiérrez said

he had fought the Nicaraguan dictatorship before it was overthrown, then had joined a Sandinista student association and was sent to Mexico in October for four months of guerrilla training. Mr. Gutiérrez reportedly described his training at the Institute of Coahuila in Saltillo.

At his center, Mr. Gutiérrez allegedly said, there had been 40 trainees, half of them Salvadorans and half Nicaraguans. The director is "chief of urban resistance" in El Salvador and works in the Mexican Embassy with the ambassador under false Mexican papers, Col. López Nula reported.

Under interrogation, Mr. Gutiérrez reportedly said he was told to return "to train combatants and to take command of a guerrilla platoon for a final offensive to begin in March." Col. López Nula said. To contact the guerrillas leader, he was to go to the embassy wearing a green knapsack.

"We took him there with his green knapsack," Col. López Nula said. Some cars were coming out as Mr. Gutiérrez stood there with two police escorts, he said, and "some person took him by the shoulder and he was grabbed inside."

Meanwhile, sources in Mexico City said the critical first step in the proposal of the Salvadoran insurgent leaders — agreement by the Salvadoran government to negotiate a simultaneous cease-fire — appeared remote. The civilian-military junta insists that elections, not negotiations, offer the best hope of peace.

The document prepared by the insurgents, according to sources familiar with its contents, calls for negotiations and a cease-fire, followed by the establishment of a politically broad-based government, then a plebiscite four to six months later, followed by municipal elections a year or two later.

U.S. Oil Tanker Sinks

NEW YORK — A 44,881-ton U.S.-registered oil tanker, sailing empty, sank Friday with nine of its 25 American crewmen missing and presumed dead after an explosion 750 miles (1,200 kilometers) east of Bermuda, the Coast Guard reported. The 16 other crew members of the Golden Dolphin were picked up by a Swedish vessel.

Gen. Guevara, a former defense minister in the current government of Gen. Romeo Lucas Garcia, is backed by the ruling Institutional Democratic Party, the Revolutionary Party and the National Unity Front.

His civilian rivals are Mario Sandoval Alarcón, candidate of the far right; Alejandro Maldonado Aguirre, a moderate proponent, and Gustavo Anzueto, backed by a former military president.

A communiqué from the outlawed Communist Party — published as the condition for the promised release of newspaper publisher Alvaro Contreras Velez — urged voters to stay away from the polls. There was no word on Mr. Contreras, who was kidnapped Friday.

An estimated 300 people died each month last year in political violence from the right and left, and authoritative sources put the death toll for January at more than 500.

Pope Prays for Guatemala
VATICAN CITY (UPI) — Pope John Paul II prayed for peace in Guatemala Sunday, saying the nation was living under a "horrendous incubus of death and destruction."

Stockman Sees Higher Deficit

(Continued from Page 1)

H. Baker Jr., Republican of Tennessee, the majority leader. Instead, the chairman submitted a range of options concerning new budget cuts and tax measures.

Program Features Offered

Sen. Mark O. Hatfield, Republican of Oregon, chairman of the Appropriations Committee, proposed a freeze on all appropriated spending for social programs such as health, housing, and education. And Sen. Robert J. Dole, Republican of Kansas, chairman of the Finance Committee, suggested new taxes and reductions in social welfare programs.

Meanwhile, three committees contemplated or took action on separate spending proposals that far exceeded Mr. Reagan's budget allocations and thus signal even greater deficits ahead.

Sen. Orrin G. Hatch, Republican of Utah, chairman of the Labor and Human Resources Committee, canceled that committee's meeting last week amid indications that the committee was ready to approve a spending proposal that was \$8 billion over the president's budget.

The Senate Banking Committee is weighing a spending measure that would be \$10 billion over Mr. Reagan's budget, and the Senate Energy Committee last week adopted a committee budget \$520 million over the president's proposals.

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Glemp, Despite Strains With State, Emphasizes Polish Reconciliation

From Agency Dispatches
WARSAW — Poland's Roman Catholic primate said Sunday that the Polish church could be facing the most delicate moment in its history.

Archbishop Jozef Glemp made the remarks in a sermon in a packed congregation at St. Michael's Church in Warsaw amid signs of mounting strains in church-state relations after nearly three months of martial law.

But in reiterating a call for national reconciliation, Archbishop Glemp avoided mention of the latest conflicts over the imprisonment of two priests.

He also said Poland was eagerly awaiting the return of Pope John Paul II to his homeland for a visit in August.

In London, The Sunday Times reported that Archbishop Glemp, in a "summit meeting" with the country's martial law ruler, Gen. Wojciech Jaruzelski, within the next two weeks.

In a dispatch from Warsaw, the newspaper quoted church sources as saying Archbishop Glemp was "concerned about strained church-state relations and the danger posed by growing underground resistance to the martial law authorities." It said he was hoping to "revive the dialogue between church and state at the highest level before it's too late."

The two leaders are believed to have met last in early January at Gen. Jaruzelski's request.

The Times said that Archbishop Glemp, in "private audiences with Western visitors last week," had made known he was "worried about the possibility that young people might stage some kind of uprising in the spring or summer months which would result in much bloodshed."

In his sermon in Warsaw, the archbishop said "the Polish church today faces a gigantic task, perhaps more delicate than any other in our thousand-year history."

His renewed call for national dialogue followed reports that the leader of the suspended Solidarity free trade union, Lech Walesa, would be allowed out of detention for the first time since Dec. 13.

Report From Wife
News that Mr. Walesa would be allowed home for the christening of his baby daughter was given to Western reporters by his wife, Danuta. Mrs. Walesa said the baptism would take place March 21 and said she expected to have her husband home with her and the seven children in Gdansk during the Easter holidays.

There was no official confirmation that he would be allowed to attend the christening. But Mrs. Walesa's comments followed reports that he had held a meeting with Deputy Premier Mieczyslaw Rakowski, one of the key civilian politicians in the martial law administration.

The Rakowski-Walesa meeting, confirmed by church sources,

could mark the opening of serious dialogue between the authorities and the elected leaders of the Solidarity union.

This has been one of the main demands of the church, and Archbishop Glemp returned to the issue Sunday when he said the church, the government, the trade unions and youth should all join in seeking ways to overcome Poland's crisis.

Recalling his visit to Rome last month, Archbishop Glemp said: "We are expecting the holy father to come to us in August to lift our morale and give us courage."

But while the primate reaffirmed his hope that the pope would come this year, some observers felt that he raised the possibility that the papal pilgrimage could be delayed. The primate pointed out that the 60th anniversary of the death of Pope John XXIII, celebrated on the feast of the Assumption of the Virgin Mary, would last into 1983.

Informed sources said that the primate might have deliberately avoided referring to the imprisonment of a priest, Boleslaw Jędrzejowski, for three and a half years for slandering the state in a sermon. They said the archbishop might have been reluctant to mention the case because of bargaining about his fate.

The sources said the priest might be handed over to the church rather than be made to serve his sentence in a prison. Another priest apparently was still in



Archbishop Jozef Glemp

detention on suspicion of involvement in the fatal shooting of a police sergeant.

Meanwhile, a seven-member U.S. congressional delegation left for Vienna after a three-day visit.

The official PAP press agency reported that the leader of the delegation, David R. Obey, Democrat of Wisconsin, said Saturday in Krakow that he would try to persuade President Reagan to lift U.S. sanctions, but American sources said the quote was "twisted."

A source in the delegation said the press agency statement was "a gross distortion of something Obey is reported to have said to the mayor of Krakow."

Reagan Sets U.K. Speech To Parliament

First Such Appearance By a U.S. President

By George Skelton
Los Angeles Times Service

SANTA BARBARA, Calif. — President Reagan will become the first U.S. president to address a joint session of the British Parliament when he visits England in June as part of a weeklong European tour.

Mr. Reagan has been invited to speak to the parliamentarians June 8 in Westminster Hall, which adjoins the Houses of Parliament.

It is believed that Mr. Reagan will be the second U.S. president to state to address Parliament, according to Michael Deaver, White House deputy chief of staff.

'Very Flattered'

De Gaulle addressed Parliament April 7, 1960, calling for the destruction of all nuclear weapons.

Mr. Deaver said that Mr. Reagan was "very flattered" at the British invitation. It will be the president's first trip outside the American continent since taking office.

Mr. Reagan will be the guest of Queen Elizabeth II at Windsor Castle on June 7 and 8.

President's Itinerary

Mr. Deaver, who recently spent six days in Europe organizing the trip, outlined this itinerary:

Mr. Reagan will leave Washington on June 3 for France and stay at Versailles until June 6 while he attends an economic summit meeting of seven industrialized nations. He will fly to Rome on June 7 for visits with Pope John Paul II, Premier Giovanni Spadolini and President Sandro Pertini, all within five hours.

Mr. Deaver said that Mr. Reagan considers Italy to be one of his administration's staunchest allies, adding, "Not the least of the reasons for going there is this country's gratitude for the rescue of Gen. Dozier." Brig. Gen. James L. Dozier, who was posted with a NATO unit in Verona, was kidnapped Dec. 17 by Red Brigades commandos and rescued six weeks later by Italian police.

Mr. Reagan will fly from Rome to London for his stay at Windsor Castle. "Among other reasons, the president is looking forward to going to Windsor because he will have an opportunity to do some horseback riding," Mr. Deaver said.

Mr. Reagan will fly to Bonn June 9 to meet with Chancellor Helmut Schmidt. The following day the president will attend a NATO summit meeting.

Mr. Deaver said Mr. Reagan might fly to Berlin for one day. If he does, it will delay his return to Washington to June 11.

U.S. Aides: A Risk for Parliament?

Some British MPs Say Student Interns Threaten Security

By Leonard Downie Jr.
Washington Post Service

LONDON — A new spy hunt has begun in Britain. But the targets this time are not Soviet spies occasionally discovered inside the British government or secret services.

Instead, an investigation begun last week in the House of Commons is aimed at several score American college students working as unpaid research assistants for British members of Parliament.

Acting on a number of allegations from other MPs, House of Commons leader Francis Pym ordered a parliamentary inquiry into whether the researchers pose a security risk or place an unacceptable strain on overcrowded office facilities.

Parliamentary sources said there is no real evidence of a security threat beyond concern about access to parliamentary passes and the sight of unfamiliar faces in the corridors.

But the inquiry could jeopardize American university programs that for the past several years have offered parliamentary internships to students studying abroad.

The investigation has focused somewhat hostile media attention on unspecified complaints by some members of Parliament and their paid British staff workers that the Americans "may be working as spies for foreign intelligence agencies or industrial concerns" or are misusing scarce parliamentary research facilities for personal academic projects.

"I think they're seen by some here as slave labor for certain MPs," said a paid part-time British research assistant for one member of Parliament. "There have been complaints that some of them are too loud, ask stupid questions and monopolize things like library facilities, copying machines or lunch tables."

'Out of the Blue'

"This just came out of the blue," said University of Rochester student Lisa Vahdat, who works for Labor Party member of Parliament Bruce George. "People keep asking me now if I'm working for the CIA or the KGB," she said. "I can't believe it."

Mr. George, one of a number of MPs who enthusiastically support the student internship programs, said the controversy has been quiet smoldering for some time. He said he thought it was less about security than "xenophobia and barely suppressed anti-Americanism" among some members of Parliament and paid members of their staffs.

"I feel there is a growing anti-American feeling in this country, although I personally have not felt it from MPs," said Dan Markowitz, a student from the State University of New York who works for a Labor member of Par-

liament who did not want to be identified. "The secretary in my office also said she saw it as a way for some MPs to get into the newspapers."

Mr. Markowitz and Mr. George pointed to statements by Conservative MP Nicholas Winteroot about "the presence of very strange people in this building who seem to work at strange hours" and by Labor MP Allen Adams that "the interesting thing about these people is the number of foreign accents — many of them seem to be from the Middle East or to be Americans."

Miss Vahdat said the American students work much later and longer hours than the MPs' paid secretaries and researchers and said that she knew of no non-British researchers besides the Americans.

"Parliament is in session late at night and we're busy listening to debates and doing things for our MPs," she said. "That's when politics is going on here."

Other student researchers and members of Parliament said they believed the Americans were most resented by paid British staffs, with whom they compete for scarce work space and facilities.

"When they see a lot of extra bodies around, they notice the fir-

est," said Jane Hatterer of Princeton, who works for Labor member of Parliament Stanley Clotworthy Davis. "There seems to be a sentiment of not wanting foreign people here."

Mr. Davis said he "could not cope" without his American student researcher. Each MP's staff allowance of \$15,000, plus free stationary and postage allowance, permits him to hire just one secretary and possibly share another or a paid researcher, Mr. Davis said.

The 635 members of Parliament have 900 secretaries and 200 researchers, paid and unpaid, working in an old office building outside the Palace of Westminster, compared to the thousands of staffers in numerous large office buildings in Washington for 635 representatives and senators.

"I'm entirely satisfied that the overwhelming majority of the American students have done a good job," Mr. Davis said. "It will be a sad reflection on British parliamentary life if these kids are made scapegoats for our problems."

The students said they do a wide variety of legislative research, working closely with members of Parliament, while friends with congressional internships in Washington complain that they seldom see their member of Congress.

Times, Clerical Union Reach Layoff Accord

The Associated Press

LONDON — The future of The Times of London and The Sunday Times appeared brighter after an agreement was reached during the weekend with leaders of the clerical workers union over layoffs demanded by publisher Rupert Murdoch.

Arthur Brittenden, communications director of Mr. Murdoch's News International, said Friday that details of the agreement would not be announced until this week.

The union, the National Society of Operative Printers, Graphical and Media Personnel, has been the main holdout in negotiations between News International and the various unions at The Times group over layoffs sought by Mr. Murdoch. He has said he could not afford to keep the newspapers going if sufficient staff cuts were not made.

He has called for 390 layoffs out of his goal of 600 to come from the ranks of the clerical workers. The union had hoped to keep that figure to no more than 224. The Times group employs 2,600 people.

"I can't say I'm overjoyed, because we will be losing jobs, but we think we've averted the closure of

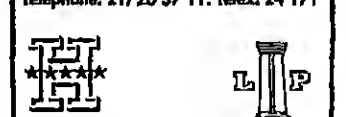
the papers," said Barry Fitzpatrick, leader of the union local, after the agreement was announced.

Mr. Murdoch, who bought the papers a year ago, told reporters when he arrived at London's Heathrow Airport shortly before the announcement that he would make a decision on the papers' future over the weekend.

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Liberal Krakow Tries to Blunt Martial Law

Tradition of Tolerance in Polish Cultural Center Lightens Party's Tread

By Michael Dobbs
Washington Post Service

KRAKOW, Poland — Poland's ancient capital is attempting to preserve its liberal traditions intact despite the imposition of martial law.

As the seat of Poland's oldest university, the cathedral town where Pope John Paul II served as priest and then archbishop, Krakow is the most tolerant and westward-looking of Polish cities. The relaxed state of mind, the product of living close to the past amid some of Europe's finest medieval architecture, has largely offset the drabness and austerity associated with a Communist-ruled country.

On the evidence of a two-day visit to the city organized by Polish authorities for foreign journalists, Krakow's special atmosphere has also blunted the harshness of December's military crackdown.

Scholars, Communist Party apparatchiks, priests and members of the suspended independent Solidarity trade union all seem to agree that things are better here than in the rest of the country. Apart from the big strikes that followed the imposition of martial law, there have been no serious clashes between workers and police. The army has kept in the background.

Long View of History
Heavily influenced by the Roman Catholic Church, Krakow intellectuals tend to take the long view of Polish history. Solidarity, they argue, has left a permanent imprint on Poland and sooner or later the Communist Party will have to come to terms with it. Better to wait patiently than to gamble everything in a violent uprising, they say.

The strength of the liberal tradition in Krakow has also rubbed off on the authorities. The party chief, Krystian Dabrowski, likes to boast that he is still determined to solve all problems "by political methods" rather than by force. The local military commissar has the reputation of being a cultured man skilled in the art of compromise.

At the same time, some Krakow residents insist that all these professions of tolerance and good will are merely a veneer. The regime's tactics toward Krakow may be different, but the aim is the same: the restoration of full Communist Party control.

A leading local journalist remarked: "In

some ways it's even worse here, as we don't know where we stand. The authorities do what they have to do under martial law — but they confuse us by wearing white gloves."

The atmosphere of normality in Krakow obviously made it, from the government's point of view, a good place to bring a party of foreign journalists for "a study tour."

Looking for a Story

These trips make for a strange experience. Most of them soon develop into a kind of game played between competitive Western journalists looking for a story and Communist bureaucrats seeking to prove that all is "normal" in their particular district. The journalists' aim is to escape the attention of their chaperones and get to interview some real workers — or indeed anyone who will tell what is really going on.

The strategy of the officials is to tie everybody down with interminable press conferences describing the history of the region, statistics on industrial production and arguments justifying martial law.

Despite this, some insights did emerge from the visit to Krakow. The journalists were taken to the Lenin Steelworks — a rambling, now crumbling place that was built in the 1950s as an industrial showpiece. Originally, it was seen by Communist ideologues as a laboratory for the building of "Socialist man," a working-class citizen that would counterbalance the "reactionary" power of the church and the Krakow intelligentsia.

Last year, the steelworks became one of Solidarity's strongholds — with 90 percent of the 38,000-member work force belonging to the union.

'Communists Out'

Today, except for some roughly scrawled slogans on walls ("Communists Out" was one), there is little outward evidence of Solidarity's former dominance. The union chairman, Mieczyslaw Gil, was sentenced two weeks ago to four years' imprisonment for organizing strikes, and underground Solidarity activity at the plant appears to be limited.

Questioned privately, however, most workers express a calm conviction that Solidarity will be back in some form or other. The "social commissions" set up by the Communist Party

in place of trade unions are described as being artificial and unrepresentative of the work force.

Since last December, the only significant trouble in Krakow occurred at the university. Students lighted candles in their dormitory windows to protest martial law and patriotic hymns were sung.

Similar incidents occurred in the southwestern city of Wroclaw, where many students were reportedly beaten up after being made to run a gauntlet of baton-wielding riot police. In Krakow, by contrast, the February protests were defused by university staff, who applied moral pressure to the students, contending they were jeopardizing traditional university freedoms.

The argument is a strong one in Krakow's case since the Jagiellonian University appears to have escaped the worst of the repression. Apart from one university staff member interned, there have been no dismissals.

Cultural Representative

Some of the credit for this relative tolerance is given to a Communist intellectual from Krakow, Hieronim Kubisa, who still sits on the party's Politburo as a representative of the cultural community. At a meeting with intellectuals recently, he was reported to have expressed the hope that the staff of high schools and universities would be spared the ideological purge.

Oblivious to martial law, the members of one of Krakow's experimental theater groups threw a party to mark a birthday. The best of heavy rock music floated across the Renaissance rooftops and spires of the old town as they danced, joked and got drunk.

The party could have been anywhere in the West. The products of a European tradition dating back 10 centuries, the young people there were closer in spirit to Paris and New York than to Moscow (one sported a U.S. Army jacket).

An actress said: "We're reacting to what's happened in Poland by a kind of internal emigration. We want to keep together and keep as far away from the Poland of the internment camps and Communist jargon as possible."

Such an attitude is hardly likely to produce an uprising this spring, as some have predicted. On the other hand, it is hardly likely to produce a totalitarian state, either.

Filibuster Trims Debate at UN Rights Session

By Iain Guest
International Herald Tribune

GENEVA — East European and Latin American delegations are engaged in a prolonged filibuster at the current session of the United Nations Human Rights Commission in an apparent effort to curtail debate on Poland, El Salvador, Guatemala and Iran.

The commission has the task of formulating UN human rights policy for the next year, and, with five days of sessions left, Western diplomats and observers are worried at what they see as a pattern of delaying tactics, aided by the Bulgarian chairman, Ivan Garvalov.

Over the last five weeks of debate, Mr. Garvalov has allowed long speeches, followed by rights of reply, on Southern Africa, Chile and Israel. Sources said that he also allowed four days of confiden-

tial proceedings last week to be drawn out by procedural motions and then quickly agreed to a proposal by Algeria and Syria Friday that the commission not meet over the weekend.

Poland on Agenda

The result will be in squeeze this week's debate, which started late on Friday. In addition to the crisis in Poland, it covers such areas as Guatemala, El Salvador and the treatment of the Bahais in Iran. It also includes a new study by Prince Sadruddin Aga Khan, the former UN High Commissioner for Refugees, on prevention of the mass exodus of refugees from such regions as Indochina and the Horn of Africa.

Some of the 91 additional speakers who signed up for the debate are concerned that the commission

may even decide not to vote on any of the resolutions, as happened in 1972 under a Polish chairman.

"What we're seeing is an unholy alliance between the Latin Americans and East European countries to stall the commission," said David Weissbrodt, a professor at the University of Minnesota who is in Geneva as an observer. "The greatest risk now is that they will decide to avoid all country-oriented resolutions, and so gut the commission's work."

During the four days of confidential debate last week, the commission reviewed the records of eight countries accused of "patterns of gross violations" of human rights — in effect the UN blacklist. Sources said that the commission decided to drop its probe of South Korea and Paraguay after both governments sent letters of explanation at the last moment.

An investigation of Venezuela, which had been queried about the deaths of 200 Colombian miners in Venezuela some years ago, has also been dropped.

Five other countries have been kept under review: Argentina, Uruguay, East Germany, Haiti and Afghanistan. Sources said that Argentina dragged out its review with procedural motions, and that

the East Europeans tried hard to ensure that East Germany — accused of restricting the right to leave the country — was taken off the list. After a procedural move by Cuba was narrowly defeated, the commission voted 20-12, with 11 abstentions, to keep East Germany under review.

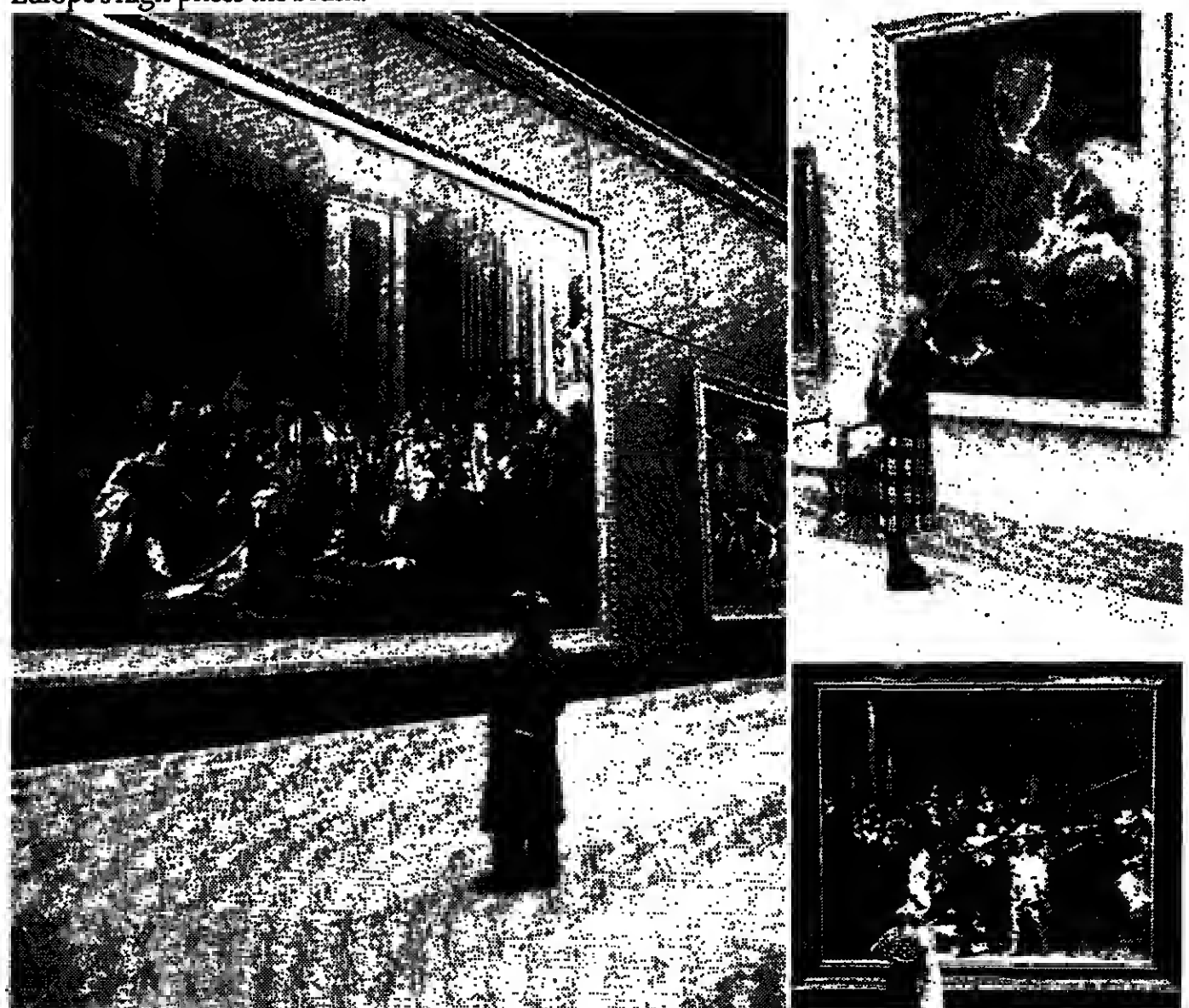
Meanwhile, Western delegates are lobbying hard in support of a resolution on Poland, and efforts are under way to draft a resolution on El Salvador that will pass by consensus. Sources said that the United States is likely to vote against or abstain on the Salvadoran issue, even though the latest draft makes no reference to the coming elections but talks vaguely of a "negotiated settlement" to the civil war. The elections, scheduled for March 28, were harshly criticized by a UN report prepared for the commission.

Inmate Dies in Zimbabwe

United Press International
SALISBURY — A confessed murderer who said he killed more than 50 people with an ax over four years was found hanged to death in his prison cell, police said Saturday. Police said they believe Sampson Kanderayi, 35, hanged himself Friday.

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Laker Reportedly Seeks Financing For a Smaller, Full-Fare Airline

The Associated Press

LONDON — A month after the collapse of Laker Airways, Sir Freddie Laker is circulating plans for a Laker II airline — smaller, leaner and definitely out-of-date. The Sunday Times reported.

The newspaper said it had obtained a copy of a prospectus prepared by Sir Freddie and his backers that "is now doing the rounds" of London financial institutions in search of support worth \$105 million (\$192 million).

The paper said Sir Freddie would fly with only five aircraft and 770 employees, compared with 13 aircraft and 2,795 employees before, and would concentrate on services from Gatwick Airport, south of London, to Los Angeles, Miami and New York.

"But most significant of all is the total rejection of the old buccannering days of price-cutting," The Times said. "It is even suggested that the new airline might actually join IATA, the airlines' fare-fixing cartel against which Laker has campaigned for many years." IATA stands for International Air Transport Association.

The document was prepared with the help of Roland W. Rowland, head of the Lorho conglomerate and a possible partner in Laker II, the paper said.

The prospectus indicated that Sir Freddie believes Laker II could earn a "net profit before tax and financing charges" of \$16.2 million (\$29.6 million). The newspaper concluded, however, that this projection was the result of some "startlingly optimistic assumptions" by Sir Freddie.

Ineffectual Oil Boycott

It's almost official: After months of well-publicized indecision, President Reagan has resolved to stop U.S. oil trade with Libya.

The boycott will hardly be felt by Americans. But the damage to Libya's economy should also be modest. There is, then, a real question whether boycotts should be used for largely symbolic effect.

Reagan intends to halt oil imports that currently total 150,000 barrels a day, one-sixth of Libya's production. He will also forbid the sale of American oil drilling equipment to Libya.

By some criteria, this is the ideal moment for economic action against Col. Qadhafi's regime. The 150,000 barrels amount to less than 1 percent of U.S. consumption. In today's slack oil market, they can easily be replaced. Nor will U.S. exporters feel any pain; demand for their drilling equipment already exceeds production.

But Libya's vulnerability is similarly limited. It has had a tough time selling as much oil as it wants at the posted OPEC price; losing its U.S. contracts will make it a little tougher. Without cooperation from all other oil buyers, it is virtually impossible to make a big dent in Libyan oil revenues.

The same is true for the consequences of the equipment embargo. Libya's search for other manufacturers may cost some money and slow its development program, but it will hardly cripple Libya's economy.

Is it worth the trouble? The White House sees the embargo as a modest but important symbol of retaliation for Libya's acts of aggression and terrorism. Even if no other na-

tions join in, the political statement might encourage Qadhafi's domestic opponents. And if Europe and Japan follow the U.S. lead, so much the better.

But Reagan has not made clear what Libyan conduct he aims to punish. Qadhafi has already yielded to pressure to withdraw his troops from Chad. If there is (or ever was) a Libyan assassination team loose in the United States, it does not appear active now.

The administration says Libya is also an international outlaw for shipping arms to the Palestine Liberation Organization. But other Arab oil exporters support the PLO. Singling out the colonel runs the risk of making him an anti-colonial martyr in many places.

A superpower, in any case, should never resort to sanctions casually. Economic boycotts should be used sparingly precisely because they so rarely accomplish any more than announcing anger.

Boycotts are preferable, of course, to military force. But something is lost when traditional trade relations are arbitrarily disrupted. And by imposing sanctions unilaterally, the United States loses the logic of its customary opposition to unilateral trade disruptions. The boycott of Libya, for example, weakens the U.S. case for continuing commerce with South Africa.

A more enlightened leadership in Libya would certainly be welcome. But there are limits to what the United States can — or should — do to force such a change. The oil boycott just doesn't seem worth the bother and political risks.

THE NEW YORK TIMES.

U.S. Budgetary Tactics

You can hardly be expected to follow the U.S. budget game without a program. The following paragraphs attempt to outline the stages that are likely to be important in the next several months, and the tactical positions that seem to be developing.

On March 31, the continuing budget resolution expires. You may recall that Congress was never able to agree on several of the 1982 appropriations bills and, in the final convulsion last fall, kept the money flowing with a compromise that extends only through the first half of the fiscal year. It is probable that both houses will vote for a simple extension, but the measure covers the controversial areas of health, education and welfare, and it is possible that enough deficit-fearing senators will balk to block passage.

A more likely source of trouble is the final budget resolution setting spending limits for the current fiscal year. In passing it last fall, Congress simply ignored the fact that actual spending is running at least \$40 billion above its legally binding limit. Now, if the budget process is to be kept intact, Congress must adopt a revision that approves an uncomfortably large deficit for 1982.

Congress also needs, however, to approve a first budget resolution for the next fiscal year — the one that is the subject of the current quarrel with the president. In the Senate, the target date for this event is March 31; in the House it is April 15. That doesn't leave much time for a great deal of work, if Congress is to come up with a specific proposal that differs substantially from Mr. Reagan's.

Last year, as the result of close negotiations between Reagan administration officials and Republican senators starting right after the election, the budget process got off

to a fast start. This year, the administration went its own way and congressional support for the Reagan budget is currently nil.

If all goes as planned — and much may not — the congressional alternatives will face their first tests in the April votes on the budget resolution. If there is strong bipartisan support for the alternatives — and if the administration is still sitting on the sidelines — the next play may well come when, sometime in May, federal spending pushes the federal debt over the legal limit.

Failure to raise the debt ceiling would cause a chaotic shutdown of many government operations and possible panic in the financial markets. House and Senate leaders see the debt ceiling bill as an opportunity to turn the tables on the administration, forcing it to accept the budget and tax changes that Congress wants — just as the administration forced Congress to accept further budget cuts by closing down the government last fall. One possible danger here is the temptation to overload the debt ceiling bill with too many conditions to be passable. Another is a simple collapse of support for any budget.

Despite the acknowledged perils, momentum behind a congressional alternative is currently strong. Voters are genuinely worried, and many Republicans — who worked diligently to advance the administration's program last year — are stung by the president's current strategy of lobbying brickbats at them from the safe distance of his Western tour. More important, responsible people in both parties realize, as the administration apparently does not, that the alternative is a stalemate over the budget — and, for the country, that is the greatest danger of all.

THE WASHINGTON POST.

Another Health Hazard

Six years ago, the U.S. Congress passed a law intended to end the practice of throwing hazardous chemicals into open pits and landfills. So vast and complex is the U.S. waste disposal system — about 130 billion pounds of hazardous wastes will be produced this year — that it took the Environmental Protection Agency four years and the threat of a court order to issue most of the regulations needed to implement the law.

Then in 1981 the Reagan EPA delayed, suspended or rescinded so many of the regulations that observers wondered whether its hazardous-waste policy was merely to undo what had been so laboriously achieved. The EPA's response — that some of the regulations were too complex, that some needed additional review and that some might not be the best way to reach a particular goal — sounded at least plausible. Its most recent action, however — the lifting of a ban on disposal of hazardous liquids in landfills — leaves little room for doubt as to whether it bases its policy on protection of the public health and environment or on the profits and convenience of waste generators.

Disposal of hazardous wastes in landfills, especially liquid wastes, is well known to create health hazards. Better alternatives, in-

cluding incineration, are available for the majority of liquid wastes. And with a modest research investment, manufacturing can be redesigned to produce fewer wastes or to recycle wastes. But landfills, especially landfills with minimal environmental precautions, are the cheapest, easiest method.

The EPA let it be known that it would lift the ban, so generators let their barrels pile up in anticipation. During the 90-day suspension, liquids may be disposed of in any amounts. After that, the EPA proposes that landfills may give one-quarter of their space to hazardous liquids. The agency did not even adopt a proposal by the chemical industry to require impermeable liners and water collection systems under the landfills.

Safe and affordable means of hazardous waste disposal are a relatively simple challenge in the spectrum of known environmental dangers. In fact, some of the loudest objections to the EPA's latest landfill decision are coming from the industries that have geared up to produce these better technologies. After Love Canal and the rest, can there be any doubt about the need for better hazardous-waste management? Congress should raise hell. The EPA should reconsider.

THE WASHINGTON POST.

March 8: From Our Pages of 75 and 50 Years Ago

1907: Report to Czar

ST. PETERSBURG — Mr. Stolypin has presented his report to the Czar, who thanked him for the way in which the opening of the Duma had passed off and for the tranquility in the capital. St. Petersburg society criticizes the Constitutional Democrats, who consider themselves monarchists and well-mannered people and yet remained seated while the assembly acclaimed the Czar, imitating the pitiable example of the parties on the extreme left, who are ill-mannered and incorrect in their attitude. The participation of President Roosevelt in the subscription for the famine-stricken districts and his words recalling the friendly services rendered by Russia to America have produced a most excellent impression.

1932: Statesman Dead

PARIS — Aristide Briand, 69, veteran French statesman and defender of peace, whose failing health forced him to retire in January after 30 years of official life, is dead. He headed 11 Cabinets, the first of which he formed in 1909 and the last in 1929. Between March, 1906, and January, 1932, he was 25 times minister, and held the Ministry of Foreign Affairs without interruption from April, 1925, until within two months of his death. In 1918 his war-shattered country turned to Briand to settle the multitudinous problems of peace, reparations and reconstruction. In 1925, as foreign minister, he won his best title to his nickname, "The Man of Peace," with the conclusion of the Locarno agreement.

Blueprint for Lost Opportunity on the Kremlin Pipeline

By William Safire

WASHINGTON — The moment had come for a momentous presidential decision. At issue was the Kremlin Pipeline, the natural-gas link to Western Europe desperately sought by diplomats.

The National Security Council gathered in solemn conclave to lay out the facts for President Reagan. Secretary of Defense Weinberger, supported only by the UN delegate, Jean Kirkpatrick, pointed out the danger of permitting the NATO allies to become dependent for their energy needs on the forces that NATO is in business to oppose. Now was hardly the time to

reward Soviet belligerency with a deal that would profit Moscow by about \$8 billion a year in hard currency — which would then be used to purchase vital military technology.

One way to block the Soviet trade triumph would be to tell General Electric to refuse to grant turbine licenses to European companies, needed for the production of turbines to drive compressors in the proposed pipeline's pumping stations.

The cause of the soft-liners was championed by Secretary of State Haig, fresh from his victory in

secretly rewriting U.S. government rules that — had they been left in place — would have caused the default of Poland's junta and ended most Western financing of trade with the Soviet bloc.

The United States must not irritate its European allies, posited Haig, the former NATO commander, to whom every year is The Year of Europe. West German and French Socialists want that pipeline to the extent of enabling the Russians to build it without putting up a ruble. Besides, denying the license would only delay the deal for a few years.

Since the national security adviser did not have much advice to offer, the president turned to Treasury Secretary Don Regan. As usual, the businessman chose business as usual: Although he had thought it unseemly for GE to supply the key part after the Polish crackdown, he saw no reason to offend U.S. allies. With Regan's customary deference to Haig on foreign economic affairs, the cave-in carried the day.

But the president was uncomfortable with such a public display of weakness: How best to disguise it? Al Haig was ready with a plan

to avoid the need to announce any decision at all. Undersecretary James Buckley, who in effect reports to deputy Assistant Secretary Robert Hornatka (rhymes with doornatka) on economic matters, would lead a delegation to Europe, its purpose would be to plead for some face-saver for Uncle Sam in return for U.S. cooperation on the Kremlin Pipeline.

Haig knows how to manipulate the president: He promised to come up with a sanction against Moscow "even stronger" than the delay of the pipeline, just as his no-default decision was presented as "even stronger" than default.

Friendly Jim Buckley and others will explain to timorous allies that some right-wing kooks in the U.S. are making a fuss about further appeasement, and that a fig leaf is needed to make the president look tough. In the end, the allies will bite the bullet and agree to do something really mean to the Russians, like cutting off imports of caviar.

That is the blueprint for the loss of an extraordinary opportunity. If the United States was leading rather than following the alliance, it would hold the avidly sought pipeline hostage to the easing of oppression in Poland. During that delay, as Chancellor Schmidt's shaking soft-line regime is replaced by a hard-line Christian Democratic government in West Germany, Washington would be able to force the Soviet Union to choose between imperialism in Europe and genuine economic hardship at home.

At the National Security Council meeting, Reagan made a decision that will please the Russians. He also decided to pretend the decision has not been made. Although some of us were beguiled by the strong statements of Reagan's campaign, we need not participate in the pretenses of his presidency.

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U.S. Should Take a Leaf From Trotsky's Book

By William F. Buckley Jr.

NEW YORK — It is correct that two estimates of the current threat posed by the Soviet Union are at war with each other. They are, however, reconcilable, if only one would take the trouble. One school says the Soviet Union's might is decisive. The other says the Soviet Union is falling apart.

Years ago, the strategist and philosopher James Burnham said the United States chronically overestimates the Soviet Union's strength and underestimates its menace. Those were the days when the Soviet Union was not strong in international military, and now of course it is. But its weaknesses as a technological superpower in the '50s are replaced now by a weakness of a different order.

The Soviet Union is on its knees economically. And just as, in the '50s, by reason of a failure of resolution the United States stood by while the Soviet Union acquired its massive nuclear arsenal, so now it stands by while Moscow wrestles with its economic weaknesses. In the '50s, Soviet sympathizers in the United States dispatched to Russia the secret message to get on with its nuclear development. Today, U.S. businessmen and a Republican administration stand by passively while the Soviet Union takes such measures as are necessary to survive its economic ordeal.

We now have the chairman of the U.S. Chamber of Commerce, no less, taking issue

with President Reagan on the subject of any economic sanctions. Donald Kendall has for years argued that vigorous trade with the Soviet Union would benefit the West. This position has a noble lineage in free-market analysis. It is assumed that the exchange of goods has the effect of loosening internal rigidities and arguing along the benefits of liberalization. This is true in classical analysis. If a backward economy desires to trade, it comes soon to discovering the uses of capital, of the division of labor, of organization, of market testing.

Closed Society

But in a closed society like the Soviet Union's, there are overarching methods by which the economy can be kept closed; and even if every Russian were to find himself free to purchase a bottle of Mr. Kendall's Pepsi-Cola tomorrow, the probability that the Soviet Union would march to economic democracy is slight.

It is wise at least once a year to remind oneself of Trotsky's response to the inquisitive revolutionary seminar who wondered how the little Communist state would set about to achieve world socialism. "We run our finger around the perimeter of the capitalist world," Trotsky replied, "and where we feel a weakness, there is our salient."

Characteristically the West has persistently

refused to apply Trotsky's doctrine in its own behalf. We have refused to run our finger around the perimeter of the Communist world, to strike where we find a weakness.

The United States' doctrine has been one of coming up with a counter-salient. The Russians blockade Berlin? We mount an air supply operation. They strike in Korea? We defend Korea. They press in North Vietnam, we press back in South Vietnam. They now reintroduce bacterial weapons, we call for reintroducing them. The United States appears to be incapable of acting decisively on distinctive Soviet weaknesses.

The Soviet Union has yet another bad habit and needs bread: To whom does it turn for bread? To U.S. farmers. The Soviet Union fears above all things emergent native disloyalty and incipient separatism; the United States discourages the dissemination of appropriate news and analysis over U.S. broadcasting facilities.

It is this fear of striking its own salient that commits the United States to that perpetual defensiveness under which a country that has presided over the cultivation of misery for its own people, and for all other people over whom it exercises its dominion, emerges as the overpowering alternative to freedom and abundance.

—Letters—

Tin Agreement

Your Feb. 24 and 25 reports on the tin market state that the International Tin Agreement is in limbo because the United States refused to agree to higher prices. U.S. opposition alone would be insufficient to prevent increases in the price range for buffer stock operations. In fact, most main consuming nations share our view that the large increases sought by producers in the past year are unjustified either by the current market situation or prospects for future supplies. In January, 1982, virtually all consumers rejected producer attempts to establish a link between the agreement's price range and the artificial price now prevailing in the market. A commodity stabilization agreement is neither a price support mechanism nor a resource transfer, as much as some producers might like it to be so.

MICHAEL B. SMITH,
U.S. Trade Representative,
Geneva.

Subsidized Lunches

Regarding Herbert Denton's article "Reagan's '83 Budget Called Unfair to Children" (JHT, Feb. 17): Do we in the United States now also have a "Nomenklatura," i.e. high functionaries in the government spending off the taxpayer's money on luxuries? I am referring to the item dug up by Marian Edelman, president of the Children's Defense Fund, stating that the taxpayer subsidizes every meal consumed in the private dining room of Secretary of Defense Casper Weinberger to the tune of \$12.06. Granted, if the secretary and his guests were required to pay the full cost of the meals they consumed, the yearly saving would amount to a few thousand dollars only, but the chances are, Casper Weinberger isn't the only one whose meal ticket is paid by the taxpayer.

EDWARD H. QUARLES,
Majorca.

Credibility Gap

Regarding "Weinberger Accuses Russia of Violating Pact on Biological Weapons, Urges Trade Curbs" (JHT, Feb. 9): Please advise your top politicians, especially Mr. Casper Weinberger, to consult the idea that there is: To save the rest of credibility.

ROBERT BLUMENFELD,
Vienna.



The New York Times Publishes Notes of a Washington Post Editorial Board Meeting . . .

The Haig Leaks: Habit Doesn't Excuse Them

By Robert J. McCloskey

WASHINGTON — I came out somewhere from the field from most critics of the "Unvarnished Haig Story." I participated for more than 12 years in the kind of meetings that were reported in Bob Woodward's Washington Post piece last month. At those meetings — with secretaries Dean Rusk, William Rogers and Henry Kissinger — there were serious policy discussions, some free-for-all, irreverent comments and a fair amount of hot air.

There was a lot of note-taking, which is the blood that pumps through the institution. To be sure, there were leaks. Never, though, do I recall assembled notes of those meetings being handed to the press.

All sorts of government documents have been and — count on it — will continue to be given surreptitiously to the press. It is becoming a habit doesn't make it less dishonorable.

I make an important distinction between the press's digging information out of the government and being handed from backstairs what in effect is stolen property. It is a distinction that most officials recognize and live by. It is shameful that there are a few who don't.

In this case, many condemned The Post for "irresponsibility." A few denounced the

leaker. Many saw the story creating diplomatic difficulties for the administration. None that I remember questioned the source's motive.

These notes were handed to a reporter who was known to be interested in doing a profile piece on Secretary Haig. The notes were offered on condition that the source remain anonymous and with the full realization that they would form the basis of a published story. Whether the source's motive was benign or mischievous is unclear. This is important because, if it was known, the reporter had an obligation to share it with the reader.

Some critics said they saw no news value in the article. It may be lean with news of policy, but it is not without other news: that the atmosphere in Egypt is "180 degrees" different since Mr. Sadat's death; that once Israel returns the remainder of the Sinai to Egypt in April, Egypt "will go back to the Arab world, with the United States isolated as Israel's sole defender." Nor is it insignificant to hear Mr. Haig say about Poland last May: "Dust off the Polish contingency with an eye to linkage with Lebanon. The U.S.S.R. might manufacture a Lebanon crisis to cover a Polish move."

There is, however, a dollop of "peppy

dreadful" as one writer said. No one is enlightened by talk of old countermeasures with the White House staff. And the piece would have demonstrated better taste if the epithet about British Foreign Secretary Lord Carrington — "a duplicitous bastard" — had been deleted.

Not using the story was evidently never a serious question. Given his reason for publication, Executive Editor Benjamin C. Bradlee said: "Anything that shows the thinking process of the man in this powerful position, as this story does, merits publication." At Mr. Bradlee's direction, one topic bearing on national security was deleted.

Is it too much to expect a newspaper not to print such material? It is. I am persuaded that no other publication would ignore it, and it is a shame to pretend otherwise.

The critics are right in saying that something reprehensible occurred here. Yet, fairness requires that if damnations are in order, they not be misplaced. The villain of this piece is somewhere in the State Department.

The writer, ombudsman for The Washington Post, is a former State Department spokesman.

U.S. Pressuring World Bank With Penny-Pinching Policy

By Hobart Rowen

WASHINGTON — A.W. (Tom) Clausen, president of the World Bank, is on the spot: A firm believer that rich nations, in their own interest, must keep a flow of concessional aid to the poor "at realistic levels," he is under pressure from Uncle Sam — his biggest stockholder — to trim

Later this year, he is likely to be the first World Bank president to go to an annual meeting and be required to report that in the years ahead there will be a sharp decline, in real terms, in the aid to be offered by the International Development Association, the bank's soft-loan affiliate.

The Reagan administration has always been suspicious of the World Bank and the other multinational lending institutions. Its major spokesman on these issues, Treasury Undersecretary Beryl Sprinkel, trotted out the idea that there was a Socialist drift in the bank.

Treasury Secretary Donald Regan commissioned a study of how U.S. policy toward such banks might be resolved. Although this time, just released, finds the World Bank innocent of any Socialist taint, the administration nonetheless is planning to cut its funding of subsidized multilateral aid by 30 to 45 percent in real

terms. Since U.S. cuts will trigger reductions by other rich nations (unless the IDA succeeds in a heroic effort to get others to increase their shares), only desperately poor countries will get subsidized loan money.

The United States is also pushing the bank to "graduate" into the commercial world nations with more than a \$2,180 per-capita income. Bank officials take \$2,600 as the right break-point. But more basically, they don't see "graduation" as a money-saving formula: They don't want to sever the umbilical cord too early.

Clausen has said that a penny-pinching U.S. policy will be "a heavy blow." In a recent speech to foreign diplomats, he said that "if the poorest nations are to become stronger participants in global economics, then they must have adequate resources available to them."

Privately, Clausen is upset because Sprinkel has implied in a paralyzing way that the World Bank is coming around to the U.S. view that the role of the multilateral development banks should be circumscribed.

It is true that Clausen, a private banker for 31 years, sees a major role for private companies in rais-

ing their Third World investments. But he resents the drive to use the bank to carry out U.S. foreign policy. (The Treasury report is almost embarrassingly plain about the linkage between U.S. strategic objectives and the way it hands out foreign aid.) Major European governments, also important "owners" of the bank, are equally distressed by the Reagan administration's narrow-minded approach.

It is painfully clear that the United States, by and large, prefers bilateral to multilateral aid.

The Caribbean basin package suggests the way the United States likes to deal, keeping an ideological string on the money it hands out.

On Jan. 12, the United States opposed a \$16-million World Bank loan to Nicaragua for a project to prevent flood damage to transportation systems in 26 low-income areas. A U.S. representative at the bank's executive board meeting said the United States was opposed "because the current macroeconomic environment [in Ni-

caragua] is not conducive to economic development at this time."

That is pure baloney. The United States opposed the loan because it believes Nicaragua is helping the El Salvador rebel.

What is equally interesting, and perhaps more revealing as evidence of the somewhat contemptuous attitude of the United States toward the World Bank, is that a year has gone by and the Reagan administration has yet to name an executive director for the bank. That doesn't seem to be a top Reagan priority.

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Press Account of Moro's Final Moments Says He Believed He Would Be Released

The Associated Press
ROME — Aldo Moro climbed calmly into the trunk of a car, believing he was about to be freed, according to accounts of the last moments before he was murdered by Red Brigades kidnappers in May, 1978.

Mr. Moro, the former Italian premier, asked the man guarding him, Prospero Gallinari, to say goodbye to the man who had interrogated him, Mario Moretti, according to an account published Saturday by Milan's *Corriere della Sera*.

Minutes later, Mr. Moro was dead, shot by Mr. Gallinari in the soundproof garage of the elegant apartment building where he had been held captive, the newspaper said.

Corriere della Sera's report was based on depositions by prosecutors made by Antonio Savasta and Patricio Peci, two accused Red Brigades members. The two told officials that as soon as Mr. Moro got into the car, he was covered with a blanket and then shot in the heart by Mr. Gallinari, according to the newspaper.

Mr. Moro did not die immediately and put up his arm to defend himself, according to the account. Mr. Gallinari grabbed a submachine gun from fellow terrorist Anna Laura Braghetti and fired a hail of bullets into Mr. Moro's body, the newspaper said.

Mr. Peci said the Red Brigades decided to kill Mr. Moro when they realized the Italian government would give them no concessions, *Corriere della Sera* said. The Italian government had refused to negotiate for Mr. Moro's release.

Mr. Moro was then asked to write his will. When he finished writing letters containing his last wishes, he was told that the decision to kill him had been revoked, the newspaper reported.

Mr. Savasta and Mr. Peci said Mr. Moro had always been dignified, and that there had been disagreement between Red Brigades members on whether he should be killed.

The trial of Mr. Gallinari, Mr. Moretti, Miss Braghetti and others allegedly involved in the kidnapping and murder of Mr. Moro is to open April 14 in Rome. Mr. Savasta and 15 other alleged terrorists go on trial Monday in Verona for the kidnapping of U.S. Brig. Gen. James L. Dozier, who was freed on Jan. 28 after being held for 42 days. Mr. Peci was arrested in February, 1980, and later became a police informer.

2 Officials Linked to Brigades
NAPLES (AP) — Police have reported the arrests of a Socialist politician and a police officer formerly assigned to the Red Brigades, on charges that they cooperated with the group.

Police said Saturday that Enea Frutta, 34, a Socialist town councilman from the Naples suburb of Carivano, and Fortunato Manna, 26, a former member of the Naples anti-terrorist squad, were arrested Friday night.

Mr. Frutta was accused of membership in the Red Brigades, possession of arms and explosives, distributing terrorist literature and renting and buying property for the gang. Mr. Manna was charged with revealing police secrets to the Red Brigades.

Authorities also confirmed Saturday for the first time that a 1.4-billion lire (\$1.1-million) ransom had been paid to the Red Brigades for the release of Cirio Cirillo, a Christian Democratic politician from Naples who was kidnapped last year and held for 88 days. They did not say who paid the money.



Aldo Moro

Irish Leaders Seek Votes For Coalition

7 Deputies Holding The Balance of Power

Reuters
DUBLIN — Irish politicians began a final round of negotiations Sunday in an effort to break a deadlock — left by inconclusive elections — before parliament meets to choose a premier on Tuesday.

Outgoing Premier Garret FitzGerald and opposition leader Charles Haughey, leader of the Fianna Fail party, were seeking support from the seven independent and minor party deputies who hold the balance of power after last month's vote. Mr. Haughey's party won 81 of the 166 seats in the parliament. Mr. FitzGerald's Fine Gael-Labor coalition won 78 seats.

Mr. Haughey, a former premier who needs only three of the uncommitted votes for an overall majority in the Dail (parliament), was to meet with one of the uncommitted deputies, Tony Gregory, Sunday before seeing the others on Monday.

Like the six other undecided members, Mr. Gregory was keeping his cards close. Asked about his voting intentions he would only say: "I honestly don't know at the moment, the final meetings with the party leaders will decide."

Five of the seven are leftists. They include three members of the Marxist group Sinn Fein The Workers Party — a group that is not connected with Sinn Fein, the political wing of the Irish Republican Army — Mr. Gregory and Jim Kennedy. It was Mr. Kennedy's switch of support that brought down Mr. FitzGerald's coalition in a budget dispute in January.

The others are outgoing Speaker John O'Connell and Neil Blaney, a friend and former cabinet colleague of Mr. Haughey.

Mr. FitzGerald must attract six votes to give his coalition a majority.

As he meets the independent members Monday, he must also await the outcome of a Labor Party meeting on whether it will renew its partnership with his Fine Gael party.

Most of the bargaining in the last two weeks has focused on the 1982 budget, the issue on which the election was fought.

Mr. FitzGerald and Mr. Haughey agree that tough measures are needed to halt the country's economic slide and both fought the election on programs calling for sweeping increases in taxes on consumer goods.

But the leftists have said they want the tax burden shifted to corporate and property taxes, and Mr. Gregory demands more money for his constituency in depressed central Dublin.

Both leaders have submitted lengthy reports to Mr. Gregory on how they would help the inner city.

Genscher Goes to U.S. as Tension Grows Over East-West Differences

By Bradley Graham

Washington Post Service
BONN — Foreign Minister Hans-Dietrich Genscher was scheduled to begin a three-day visit to Washington Sunday that Foreign Ministry officials are working to portray as without urgency and part of the regular course of U.S.-West German diplomatic exchanges.

For months, however, the West German government has been uneasy over U.S. criticism on such issues as Bonn's response to the military crackdown in Poland, the Soviet gas pipeline project and Western defense spending. Government officials in Bonn have privately voiced growing discomfort at having to confront sometimes hostile U.S. representatives and audiences.

But the pressures on the West Germans to adjust their policies toward the Eastern bloc appear to have had little result.

Run on Rotors

There is still no sign that West Germany will compromise on the gas pipeline project with the Soviet Union. Economics Minister Otto Lambrecht, just back from the United States, warned again last week against further plans under consideration in Washington to block the deal.

The Reagan administration has banned shipment of critically important General Electric rotor blades to European engineering firms responsible for producing turbines for the 2,800-mile (4,480-kilometer) gas line from Siberia. But Mr. Reagan has deferred — pending the results of a State Department team mission to Europe — a decision on banning foreign subsidiaries of U.S. firms from supplying such components.

U.S. officials have objected to the \$15-billion pipeline deal on grounds it will make Western Europe too dependent on Soviet natural gas and help fund what it views as Moscow's strategic campaign against the West.

Meanwhile, the Europeans have argued their need to decrease their reliance on Middle Eastern oil. Lately, West German officials have taken to parrying U.S. attacks on the pipeline by highlighting the Reagan administration's unwillingness to stop grain sales to the Soviet Union.

The announcement last week by Sen. Ted Stevens, Republican of Alaska, that congressional consideration was being given to a motion to withdraw some of the 350,000 U.S. troops and military personnel stationed in West Germany received wide attention in Bonn, and dramatized the depth of frustration and irritation with the U.S.

Officially, the subject of a troop pullout is not on Mr. Genscher's agenda of meetings planned with Mr. Reagan, Secretary of State Alexander M. Haig Jr. and Secretary of Defense Caspar W. Weinberger. It was described by the Foreign Ministry as "not a matter between governments." But Mr. Genscher is expected to have to deal with the question during his appointments on Capitol Hill.

West Germans in some U.S. quarters.

But the statement itself — which had been forecast for weeks by U.S. officials, including the ambassador to West Germany, Arthur F. Burns — was less surprising to the West Germans than the way Mr. Stevens framed the issue.

Mr. Burns had raised the possibility of a troop withdrawal in connection with continuing West German protests against the United States and NATO's decision to deploy new nuclear weapons. He said that if the U.S. military presence was not wanted, it could be removed.

In contrast, Mr. Stevens appeared to West German observers to be threatening a withdrawal as a sort of punishment for West Germany's recalcitrant behavior in the Atlantic alliance, and particularly for Bonn's determination to follow through on the Soviet pipeline deal.

Florida plane should not have been able to remain airborne once it had lifted off the runway after an unusually long takeoff run.

Investigators have established that the two engines were developing only about 75 percent of usual takeoff power through most of the brief flight. Most believe that this probably happened because the sensors for relaying power output to cockpit instruments were clogged by ice or anti-ice fluid.

It is widely agreed that the plane pitched upward as soon as it struggled off the runway, lifting its nose in an uncommonly high angle and at a fast rate. The unanswered question is whether the pitch-up resulted primarily from the crew's actions or from the plane's idiosyncrasies in taking off in icy conditions.

Boeing Tells U.S. Crash Inquiry 3 Other 737s Had Takeoff Problem

By Richard Witkin

New York Times Service
WASHINGTON — The National Transportation Safety Board has disclosed three incidents since December in which Boeing 737 airliners had to make abnormal maneuvers while taking off in icy-producing conditions like those that evidently contributed to the crash of an Air Florida jetliner here Jan. 13.

All three incidents, revealed Saturday, involved Lufthansa flights in Europe, and one occurred the same day as the Air Florida crash. The twin-jet Air Florida craft, taking off in a snowstorm from Washington National Airport, hit a bridge and plunged into the Potomac River, killing 75 persons.

The three reports brought to 24 the number of cases since 1971 in which Boeing 737s may have encountered a dangerous phenomenon that Boeing tests have shown to be related to accumulations of ice or snow, especially on the leading edge of the wings. When this happens, a plane taking off will suddenly encounter forces that can lift it one side abruptly or cause it to roll in one, or both.

In all three incidents, the crews were able to regain normal control, and there apparently were no injuries.

The tabulation was supplied by the manufacturer and was made public at hearings that the safety board has been conducting in an attempt to pinpoint the cause of the crash. Boeing also noted the actions it had taken to inform the industry of the problem and to notify crews of precautions to take.

Data Not Verified

These actions emphasize the need to make certain, through testing procedures and inspections, that planes have been cleared of ice and snow when taking off. In addition, crews are advised to avoid lifting the plane's nose too abruptly and to add some extra takeoff speed.

Boeing cautioned that information on all but one of the incidents, which involved a test plane of its own, was being put out as reported in Boeing. The company itself has not verified the data. No other type of aircraft, whether built by Boeing or its competitors, has had a similar run of unusual and potentially hazardous maneuvers on takeoff runs.

The company's technology chief, Robert R. Larson, testified briefly Saturday and was scheduled to be interrogated again when the hearings resume on Monday.

The key issue for officials and other safety experts is why the Air

Florida plane should not have been able to remain airborne once it had lifted off the runway after an unusually long takeoff run.

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10 Killed in Houston Hotel Blaze

By William K. Stevens

New York Times Service
HOUSTON — Ten persons died of suffocation when a fire in one room of the Westchase Hilton sent smoke billowing through the 16-month-old hotel on Houston's affluent West Side.

Five persons were hospitalized, two in critical condition, after the fire was reported at 2:28 a.m. Saturday.

The chief of the fire department's arson squad said that a hotel employee cut off the building's fire alarm repeatedly because he did not know what it was, and possibly because its buzzing on the switchboard annoyed him.

The officials said they had no reason to believe that the fire was anything but an accident, but they could not say exactly what started it.

Began on Fourth Floor

The blaze began in or near a stuffed chair in a room on the fourth floor of the 13-story hotel, fire officials said. They said the room's occupant, Scott Peterson, an employee of the Hilton Hotel in Santa Fe, N.M., told them that he was returning from a date when he found the fourth-floor corridor

filled with smoke. According to the officials, Mr. Peterson said he ran to the room and woke up his friend, Scott Owens.

The blaze "totally consumed the contents of the room," said Carl Hooker, a deputy fire chief, but "didn't spread," he said.

"The smoke spread," he said. "All these people died from smoke inhalation."

The hotel has no sprinkler system, the officials said. If it had, said Fire Chief V.E. Rogers, fewer people would have died. Houston's fire code was amended last year to require new hotels to install sprinkler systems. The requirement is not retroactive, however.

About 200 in Hotel

About 200 guests were in the 165-room hotel when the fire started. All were evacuated, most of them to the Adam's Mark, another hotel nearby.

Chief Rogers said investigators found that some guests did not hear the fire alarm.

Leonard Mikeska, a deputy chief and head of the arson squad, said that an employee working behind the main desk had not been briefed on the fire alarm system and turned off the signal several times because he did not know

what the buzzer that sounded on a nearby switchboard signified. "Possibly, it was annoying him," he said.

According to hotel and fire officials, there are three alarm systems in the hotel: independent smoke detectors in individual rooms; smoke and heat detectors in corridors, and conventional manually activated alarm switches. Erich Huemer, the hotel manager, said that the system in the corridors, activated by heat and smoke, was tested on Wednesday and found in good working order.

Seven of the 10 victims apparently died in their sleep, according to Dr. Aurelio Espinola, the deputy chief medical examiner for Harris County.

The fire was the fifth recent disaster at a major U.S. hotel. A fire on Nov. 21, 1980, killed 84 persons at the MGM Grand Hotel in Las Vegas. Twenty-six died in a fire at Stouffer's Inn in Harrison, N.Y., the following Dec. 4. Another fire, which a hotel busboy was convicted of setting, killed eight persons at the Las Vegas Hilton on Feb. 10, 1981. On July 17, 1981, overhead walkways collapsed at the Hyatt Regency Hotel in Kansas City, Mo., killing 113.

News Story Ban Raises Freedom Issue in India

By Stuart Auerbach

Washington Post Service
NEW DELHI — An Indian court has barred a leading newsmagazine from writing about the business dealings of a political ally of Prime Minister Indira Gandhi.

The lower court injunction against the magazine *India Today* is the first case in India of an article being blocked before its publication and is viewed as a major test of the constitutional guarantees of freedom of the press in a country in which investigative reporting is in its infancy.

The case currently is before Judge Shiv Charan of New Delhi's lowest court. But his decision on whether to allow the magazine story on Charanjit Singh, a parliamentarian and soft drink magnate, is likely to end up before the supreme court.

Mr. Singh argued in an affidavit filed with Judge Charan's court that *India Today* is planning on publishing "a scandalous, concocted, incorrect, biased and politically motivated article... which will seriously damage, defame and harm" his reputation.

List of Questions

He appeared to base this view on a list of questions submitted to him by *India Today* correspondent Chaitanya Kalbag, who had been unable to get both sides of a story he was working on.

"The process of trying to do a fair job of reporting ironically has gotten us stuck in the courts," said *India Today* editor Aron Purie.

The three pages of questions, included in the court documents, focused on charges raised by the opposition in Parliament over allowing Mr. Singh to head a new hotel connected with the French Meridien chain on a choice plot of New Delhi real estate allotted him by the Gandhi government.

Mr. Singh, who was the Coca Cola bottler in India until the U.S. company was thrown out of the country in 1977, now runs a business making a local soft drink.

Article Still Unwritten

He was a close associate of Prime Minister Gandhi's late son and political adviser, Sanjay Gandhi, and won election to Parliament two years ago as a member of Mrs. Gandhi's Congress-I party.

The court ban on the still unwritten *India Today* article, which is scheduled for publication in mid-February, assumes special significance now, since the press is under attack from the prime minister, who has accused it of being biased against her and her program.

"The press is the opposition in India," Mrs. Gandhi said in an interview last month on Swedish television. "They lead the opposition. It is not just reporting... Their reporting is absolutely biased. They don't admit that anything good has happened."

In reply, an editorial in the *Statesman* asked: "Is the freedom Mrs. Gandhi has in mind merely freedom to conform, to applaud whatever she says or does, and even to praise her followers who are venal and brazen or incompetent and obsequious?"

The Gandhi government's attitudes toward the press, articulated most frequently by the prime minister and her information minister, Vasant Sathe, are taken seriously in this country, where newspapers depend heavily on government advertising, and where the government controls the import, price and distribution of newsprint.

In a Jan. 28 lecture on freedom

of the press, S. Nihal Singh, editor of the *Indian Express*, called Mr. Gandhi's political leadership "out of sympathy with a truly free press." He added: "We live in a corrupt and venal society. And if we do not expose these evils which are eating into the very fabric of our being, we can only go downhill."

A new crop of newsmagazines such as *India Today* and a few newspapers such as the *Indian Express* have led Indian journalism's recent forays into investigative reporting. An Express series by associate editor Arun Shourie led to the resignation of Mrs. Gandhi's chief minister for Maharashtra, Abdul Rahman Antulay.

But this type of journalism is a new phenomenon in India, where the press traditionally merely reports what political figures say.

The *India Today* case also appears likely to break new legal ground in this country, where this type of court-ordered prior restraint has never come up before.

India follows British law, where prior restraint by the courts is more common. English papers were barred temporarily from printing details of the effect of the drug thalidomide on babies whose mothers took it while pregnant. The courts eventually allowed the story to be printed.

The only similar case, according to legal experts, involved a court order banning the second part of a series in a tabloid where the first article was found to be scurrilous.

Countries of South Asia — Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka — are among the poorest in the world with annual per capita incomes ranging from \$80 in Bhutan to \$260 in Pakistan.

The survey said low income was compounded by inequalities. The richest 20 percent took 59 percent of the total income in Nepal, 49 percent in India and 43 percent in Sri Lanka.

The survey said another common feature of the economic situation in South Asia was reliance on foreign aid and borrowing to finance growing balance of payments deficits.

Although conditions had improved in the Communist countries of Indochina, the survey said further progress would depend on foreign aid, which was uncertain. It said Vietnam, Cambodia and Laos made gains in production of rice, the staple food, but that they still needed major food aid from abroad.

One bright spot in the region was the record of the five member nations of the Association of Southeast Asian Nations. The report said these countries — Singapore, Indonesia, the Philippines, Malaysia and Thailand — along with Burma, Hong Kong and South Korea, had maintained strong rates of economic growth in the midst of world recession.

Their growth rates ranged from 5 percent in the Philippines to 10 percent in Hong Kong while recession reduced growth rates in industrialized nations to under 2 percent.

China canceled aid in 1978 when relations with Vietnam worsened, and Australia and Japan suspended aid after Vietnam invaded Cambodia.

Soviet-bloc countries have filled part of the gap but the extent of their assistance was not clear, the survey said.

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2 U.S. Jewish Groups Fight Bequest to PLO

By David Margolick

New York Times Service

NEW YORK — A journalist who died last year has left \$30,000 to the Palestine Liberation Organization, and two major Jewish organizations are trying to block the bequest in a court here.

In an unusual legal proceeding, lawyers representing the American Jewish Congress, the Anti-Defamation League of the B'nai B'rith and the New York state attorney general's office are seeking to examine the aims and activities of the PLO to show that the bequest, by Fred Sparks of New York, should not be honored.

Mr. Sparks died Feb. 18, 1981, at the age of 65. He won a Pulitzer Prize in 1951 for his reporting from postwar Europe while working for the *Chicago Daily News*, a newspaper that closed in March, 1978. He had covered the plight of Palestinian refugees after the Israeli war of independence in 1948.

The lawyers for the Jewish groups say they plan to question Zehdi Labib Terzi, the PLO's permanent observer to the United Nations. A hearing scheduled for Friday in Surrogate Court was postponed until next month. Mr. Terzi said he would participate in the proceeding.

Surrogate's courts oversee the disposition of estates and make provisions for guardians.

Surrogate Marie M. Lambert, the judicial officer in the case, last week granted both Jewish organizations the right to file "friend of the court" briefs and to participate in the discovery proceedings.

Under long-established pre-

cedents in New York, bequests with conditions that run contrary to the public good have not been enforced by the courts. At the same time, however, outright gifts to even the most controversial organizations have almost never been invalidated.

The pretrial proceeding is part of an attempt by the two Jewish organizations to prove that the PLO is a "terrorist organization" that should be barred from receiving a bequest.

Attorneys for the Jewish groups charge that a decision to allow a bequest to the PLO would legitimize similar gifts to the Irish Republican Army, Basque separatists and the FALN, the Puerto Rican extremist group.

Mr. Terzi, reached at the United Nations, responded, "This is a violation of Mr. Sparks' rights to dispose of his funds according to his wishes."

Last April 15, Mrs. Lambert, citing uncertainty over whether the bequest would violate New York law or public policy, withheld the grant.

Mr. Sparks, a native of New York, was the son of Bennett E. Siegelstein, a lawyer who once served in the New York State Assembly. After many years with the *Chicago Daily News*, he joined The New York World Telegram & Sun in 1953.

Italy President Goes to Japan

The Associated Press

ROME — Italy's president, Sandro Pertini, left Sunday for a week-long official visit to Japan with stops in Tokyo, Hiroshima, Osaka and Kyoto.



IF NOEL COWARD WERE IN LONDON TODAY, WHERE WOULD YOU FIND HIM?

To start with, Mr. Coward would be at THE SAVOY—he never stayed anywhere else.

He had his own suite of rooms overlooking London's finest view of the River Thames. The suite is still there, for our guests, as are the other 200 rooms in the Hotel, all individually decorated, appealing to different tastes.

If Noel Coward were downstairs, you might find him in the new River Restaurant or the American Bar, world famous since the creation of the Dry Martini.

What about the cost? Well, Mr. Coward would find THE SAVOY less expensive than a number of other luxury London hotels.

But then, that wouldn't have been important. THE SAVOY was Noel Coward's London home.

Money Worries Causing U.S. College Students To Work More, Play Less and Narrow Studies

By Fox Butterfield
New York Times Service

COLUMBUS, Ohio — U.S. college students, long a reflection of the country's affluence and achievement, face a financial squeeze that is channeling them in a narrow, career-oriented direction and profoundly altering university life.

"Adolescence has been an American luxury, but we can't afford it anymore," said Paula Schimpf, a junior at Ohio State University here.

"It's an awful thing that students more and more have to weigh the cost of every little thing rather than think, 'Is this something I want to study or to do?'" she added. "That's not what universities are for."

Reagan's Proposed Cuts

Miss Schimpf, whose father is a butcher in an A&P store in Lima, Ohio, is in many ways typical of the 12.3 million undergraduate and graduate students on campuses today. Worried about the job market, she has switched her major from teaching to public relations. She is paying for college with a precarious combination of part-time jobs and federal financial grants and low-interest loans.

Now Miss Schimpf, the first member of her family to go to college, is concerned that further cuts in government aid to education, which President Reagan has proposed but which will not go into effect unless approved by Congress, may make it impossible for her to finish school.

She was one of several hundred students, teachers and administrators interviewed in the last two weeks at two dozen colleges and universities. Among trends evident from the interviews were these:

• A dramatic shift from traditional liberal arts courses to programs in engineering, business and law likely to enable the students to earn more money. At Ohio State, for instance, enrollment in the colleges of Business and Engineering

has doubled in the past decade, while the number in the College of Arts and Sciences has dropped 33 percent.

• A sharp decline in the number and quality of students going to graduate school in the arts and sciences, those who will be the future U.S. college professors. At Harvard, the percentage of seniors who graduated with highest honors and went on to graduate schools other than professional ones shrank from 77 percent in 1964 to 31 percent last year. The number of first-year students at Harvard's Graduate School of Arts and Sciences has slipped 26 percent in the past 10 years and has slipped 39 percent counting only students in the humanities.

• A growing number of students who must work to meet costs. Three-quarters of the 27,000 students at the University of Wisconsin at Milwaukee have jobs. Moreover, many students find it necessary to take a semester or a year off to work, and as a result many fewer students graduate in four years.

• Stresses caused by the need to work and study at the same time. This financial pressure has forced many students to give up such pleasures as movies and football games; fewer seem to have cars. Some students report that they do not have enough money to eat properly or that they fall asleep in class after working all night.

• A larger number of politically conservative students. A survey done for the American Council on Education by researchers from the University of California at Los Angeles found that 24 percent of freshmen last fall considered themselves conservatives, compared with 15 percent in 1971. The proportion calling themselves liberals dropped from 37 percent a decade earlier to 18 percent.

In that survey, conducted at 368 colleges and universities, 67 percent of this year's freshmen said "to make more money" was an important reason for going to college. In 1971, that opinion was expressed by 57 percent.

Many college professors and administrators are worried by these trends.

"I get a sense of quiet desperation," said Mitchell Livingston. He is dean of student life at Ohio State, which, with 54,000 students, has the largest campus in the country after the University of Minnesota.

"It's something that's been growing for 10 years but, with the economy, it's getting worse," he said. "The students are constantly up, striving to succeed, wondering if there will be a job when they finish."

'Intense and Narrow'

"If there is not an immediate benefit, there's less likelihood they will pick a course or go out for an activity. They have become more intense and narrow, with tunnel vision. It's the opposite of what we're trying to do in the university, to broaden them."

At San Diego State University, Ned Joy, the librarian and former vice president for academic affairs, said he had noted several swings of the pendulum since he came to the campus almost 30 years ago.

Then, he said, "there was gold-fish swallowing, literally, a C was considered almost respectable and there was little or no political interest."

In the 1960s, Mr. Joy said, the Vietnam War "awakened interest in studies but primarily in areas with political content, sociology or political science."

'Marketable Skill'

Now, he said, "there's a tendency to say students are more conservative, but I can't agree at all. Certainly they're more concerned with making money, but not in the way Depression-bred conservatives are, not to save it and invest it. They want the cars, the houses and travel, the good life, and they tend to choose courses they believe will get them there more quickly."

At Columbia University, Wallace Gray, a popular professor of English and comparative litera-

ture, lamented, "I can't get students to make the connection between ancient texts and what's going on today."

"The big word on campus is 'marketable'; do you have a marketable skill," said Michael Norman, a senior at Ohio State and editor of the student paper. Last month the paper printed a cartoon depicting a skeleton waiting at an employment office. Another job seeker asks the skeleton, "Humanities degree, right?"

At Dillard University, a private black college in New Orleans, Eric Nance, a freshman, said his chief consideration in majoring in business administration was salary. He said he had been interested in making money "ever since I learned the value of money" and realized that "money was necessary to live the lifestyle I want to live."

Starting Salaries

The calculations behind this thinking are clear. A study of 161 colleges and universities by the College Placement Council, an organization of directors of job placement offices, found this winter that starting salaries for graduates varied from \$30,000 a year for petroleum engineers and \$18,192 for accountants to \$14,052 for humanities majors.

The survey reported that while placement offices were notified of 1,445 job offers for accountants, there were only 87 openings for humanities students.

Perhaps the most characteristic change on campus has been the development of job placement and career guidance offices on campuses. At Ohio State's business school, demand for job-finding aid became so great that the school had to use a computer system last fall to restrict the number of interviews a student might have.

"It got so that we had students lining up at 4 a.m. outside in the middle of the winter, just to get their names on the sign-up sheet for companies like IBM," said Betty Tom, assistant director of career counseling in the business school.

International Bond Prices — Week of March 4

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse — First Boston

RECENT ISSUES

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Pemex Deal Caught In Mideast Politics

By Carl Gewirtz
International Herald Tribune
PARIS — The Eurozone's usual preoccupation with which bank is doing how big a loan for whom was supplanted last week with a fascination about the politics of which banks are doing what to whom in the \$2-billion jumbo loan for Pemex.

As reported last week, Arab banks led by Arab Banking Corp. — which had been appointed regional coordinator for the deal — withdrew from the operation in a

SYNDICATED LOANS

huff over the syndication strategy adopted by lead coordinator Citibank.

It now emerges that what the Arabs objected to was not so much the widening of the lead management group to 29 banks from the intended 20, but the fact that four Israeli banks were invited to join the loan. A report that they also objected to the invitation to the just nationalized Banque Rothschild of France "is just a red herring," said a senior official at one of the Arab banks, "it was just the four Israeli banks."

The boycott of what Arab institutions define as "Zionist" institutions first became an issue in the mid-1970s. There was a considerable rift in the Eurozone market then as some European banks caved in to demands that blacklisted banks be excluded from issues in which Arab banks participated.

Skillful Diplomacy
Thanks to skillful private diplomacy, an understanding was subsequently achieved whereby Arab and blacklisted banks would not sit together as co-managers of an issue but would disregard who chose to join the issue as just underwriters.

Now, suddenly, this modus vivendi is becoming undone. According to the Arab banks, the Israeli banks were not being asked to join the Pemex issue as managers who are asked to underwrite \$69 million each, but as participants taking much smaller amounts.

What mystifies the market, however, is the fact that at latest count, not a single Israeli bank has joined the Pemex loan.

Israel does a considerable amount of trade with Mexico and buys its oil there, so inviting them to join the jumbo loan is logical. Credit Lyonnais of France, the European coordinator of the loan, would not confirm the Israelis had been invited, saying only that, given the size of the loan, invitations had been sent to all potential lenders. Efforts to confirm receipt of the invitation with Israeli banks were unsuccessful.

According to the Arabs, the Israelis were invited so as to "embarrass" the Arabs. They offer no elaboration, but presumably this

Arabs Blacklist Bank in Brussels

International Herald Tribune
PARIS — The boycott of banks blacklisted by the Arabs is also becoming an issue in the Eurozone market.

Banque Bruxelles Lambert reports that it was advised in December that it had been added to the blacklist for reasons that were not explained and which remain, for the Brussels-based bank, unclear despite its efforts to find out why.

Nevertheless, it maintains that it has been excluded from about 10 Eurozone issues floated since then. In some cases, Bruxelles Lambert was simply not invited to participate in deals for clients with whom it had previously done business. And in some cases it was asked to withdraw from the syndicate to make room for an Arab institution at the management or underwriting level.

Officials of Bruxelles Lambert noted they had been excluded from a recent issue for Honda, saying they were told by lead manager, Nomura Securities that "We're sorry, but we can't put you in." It had happened in two or three other issues for Japanese borrowers.

Bruxelles Lambert also believes it has been excluded from certain big issues made by the French. I have the feeling that the French Treasury prefers to see Arab banks in the large issues like the recent ones for Banque Française du Commerce Extérieur, Crédit National, Société Générale. ... They are all Arab syndicates because of global political reasons," a senior Bruxelles Lambert official said.

"We haven't been formally excluded," he went on. "We were told, 'This time it's not for you, it's for another bank and next time you'll be invited in.' So it's not a perfect boycott. I suspect that, in spite of all the explanations I got, the true reason is the boycott."

means either with Mexico (by "forcing" the Arabs to abandon the operation) or with the international community (by helping to push the boycott into the news again).

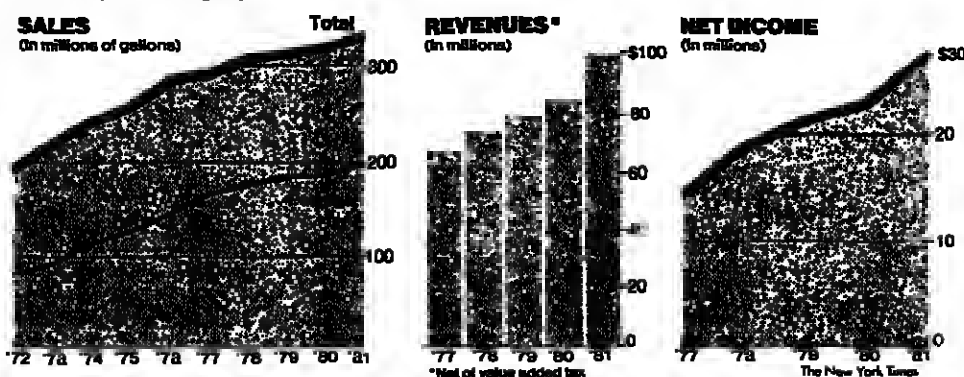
The view in Europe is much different. Some bankers suggest that the Arabs had second thoughts about lending money to Pemex, which is not a member of OPEC and which needs to pump out every barrel of oil it can to finance the country's staggering international debt. Helping to finance Mexico's state oil monopoly, the view goes, is self-defeating for the Arabs at a time when oil prices are plummeting.

Some sources also report Arab displeasure with Mexico's role as

(Continued on Page 9, Col. 2)

United Breweries: Thanks to Foreign Sales, Revenues and Profits Keep Growing

For fiscal years ending Sept. 30



China Taps Danish Brewer's Skill

By Frank J. Prial
New York Times Service

COPENHAGEN — Danes drink a lot of beer — about 32 gallons a year per capita. The Chinese drink very little beer — less than a gallon a year.

So the Danish company that owns the Carlsberg and Tuborg labels did some simple arithmetic. It came to an intoxicating conclusion, and in January, the company wrote a contract that could prove the coup of the decade in the beer business.

United Breweries Group, Europe's second-biggest brewer, signed an open-ended agreement to help China quadruple its beer production over the next decade.

"We will supply technical assistance," said Poul Svanehoj, 48-year-old president and chief executive officer of United Breweries. "If the Chinese

are impressed by our efforts," he said, his voice trailing off. "... How many people are there in China — 800 million?"

Based partly on rumors about the China breakthrough, United Breweries' closely held stock more than doubled in value last year on the Copenhagen exchange.

Another impetus may have been the news, also disclosed in January, that Carlsberg scientists had made an important breakthrough in the exploitation of yeast-based enzymes. According to the company, the process offers an alternative to the chemical and gene-splicing techniques developed elsewhere to make human-like insulin. Carlsberg claims its process "has substantial earnings potential."

Carlsberg is thought to be the first beer company

(Continued on Page 9, Col. 1)

Rift Hinders U.S. Firms in Fight Against New EEC Business Rules

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Sweeping measures being drafted to regulate the management and operations of multinational corporations in the European Economic Community have aroused deep concern among the biggest blue-chip corporations in the United States, but a tactical split in their own ranks may undermine the U.S. efforts to defeat or tone down the proposed rules.

The regulations, which are in various stages of the EEC's complex legislative process and are part of a long-term effort to harmonize the business laws of the EEC's 10 member states, would require multinational corporations to consolidate the financial reports of all their European operations and disclose exhaustive data on their plans and strategies. They would increase corporate liability for defective products, and give workers a major voice in management decision-making.

The most controversial is known as the "Vredeling proposal," after Dutch Socialist Henk Vredeling who first proposed it in 1980 when he was still a member of the EEC Commission. It would require parent corporations to give workers a semiannual "clear picture" of the entire corporation's financial situation, development and employment plans, marketing strategies, new products and technologies, and "all procedures and plans liable to have a substantial effect on employees' interests."

Approval Seen Likely
A key committee of the European Parliament is scheduled to conclude its debate on the Vredeling proposal later this month. Diplomats and business executives in the United States and Europe say it is likely to be approved. The question is whether the parliament will propose amendments to make it more palatable to business before returning it to the EEC Commission for implementation.

If the regulations are adopted, large corporations doing business in all EEC states would be affected, even those headquartered outside Europe and those that are privately held and exempt from disclosure laws in their home countries.

U.S. corporations, which appear to be the chief targets of the regulatory push have been shutting executives back and forth across the Atlantic in an effort to tone down or fend off the regulations. But the argument over the most effective way to address the Europeans has at times obscured the debate over the complex rules themselves.

U.S. business groups such as the Chamber of Commerce and the National Foreign Trade Council, and many of the giant U.S. corporations that have subsidiaries in Europe, believe that the proposed regulations can be eliminated or watered down through quiet negotiations with European officials.

But a faction spearheaded by Washington lawyer Bart Fisher regards the regulations as such a serious and imminent threat that the Europeans must be openly confronted, and has chosen a bluntly antagonistic approach — including the introduction of bills in Congress that would allow the U.S. government to prohibit U.S. corporations from complying with European disclosure regulations.

Sen. Steven Symms, a Republican from Idaho, who is carrying

(Continued on Page 9, Col. 1)

Key OPEC Nations Propose Coordinated Cuts in Output

By Thomas Thomson
Reuters

DOHA, Qatar — OPEC has decided to try to coordinate cuts in its oil production to defend current prices in a long-awaited response to the world oil glut, which it expects will ease in two or three months.

Key oil ministers struck an informal deal on production in talks here over the weekend after Saudi Arabia, the biggest exporter, said late Friday that it was cutting its own output ceiling from 8.5 million to 7.5 million barrels daily.

Ministers of nine of the 13 members of the Organization of Petroleum Exporting Countries then worked out the essentials of an accord, to be clinched at an emergency OPEC conference they scheduled for March 19 in Vienna.

The Iraqi minister, Tayeb Abdul-Karim, told reporters Sunday that the ministers took the new Saudi production figure, then considered output cuts offered by others, and were able to fix a new ceiling for total OPEC output of 18.5 million barrels a day — down from about 20 million now.

The ministers, including Sheikh Ahmed Zaki Yamani of Saudi Arabia, said the OPEC benchmark price of \$34 for a barrel of Saudi light crude would not be changed until at least the end of the year.

Sheikh Yamani also insisted here that Saudi Arabia produced around its ceiling of 8.5 million barrels daily in January and February, though industry sources have said that Saudi output had fallen to almost seven million barrels daily in February.

In London, however, Western oil industry executives said that defending prices might depend on whether OPEC has been able to match the new production figures to demand, and whether the organization could fairly carve up its dwindled market among all 13 members in the formal bargaining at Vienna.

A Saudi Arabian communiqué on Saturday acknowledged that OPEC was in trouble, now that a recession-fall in world demand has pushed the organization's output to levels lower than any recorded since the 1960s.

It warned that if the rush by exporters to offer secret discounts continued, the whole oil price system would crash.

Mr. Abdul-Karim was optimistic on Sunday that OPEC could stop world oil prices from going

into a tailspin. He blamed the glut on a run down by the oil companies of their surplus stocks, at a rate of four million barrels daily, and said he expected pressure on OPEC would ease in two to three months.

But the International Energy Agency, however, says it suspects the flow from stocks is much smaller than OPEC estimates.

One oil company spokesman said he considered a ceiling of 18.5 million barrels daily "a good bet" for OPEC, but he added: "We shall have to see whether economic activity will pick up."

Mr. Abdul-Karim said output could be cut again if necessary.

The Algerian minister, Belkacem Nabi, said the Vienna meeting would decide in detail on the sharing between members with output cuts being made according to their respective financial capabilities.

"There are some countries which have the capacity to reduce a lot more than others," he said. "What we want is that the reduction be fairly shared."

Mr. Nabi said he was not sure the level of 18.5 million barrels daily would "have all the effects members of OPEC are expecting." OPEC will hold a regular meeting in Quito, Ecuador, on May 20 when it could reassess the market reaction, he said.

According to Petroleum Intelligence Weekly, a New York oil newsletter, only Saudi Arabia, the United Arab Emirates, Qatar and Kuwait among the 13 OPEC members have not been forced by falling oil sales to run budget deficits.

Saudi Arabia's new ceiling of 7.5 million barrels daily remains above the 6.2 million that Sheikh Yamani has said it must produce to meet financial needs.

W. German Union Wins 4.2% Raise in Key Pact

Reuters

KREFELD, West Germany — Union and management have agreed on a 4.2-percent wage increase for over a million metal workers in a settlement that should set the trend for four million other workers in West Germany's car, electrical and mechanical engineering industries.

The compromise, reached Saturday and backdated to Feb. 1, for metal workers in North Rhine-Westphalia, the industrial heartland of West Germany, amounts to a wage cut in real terms because inflation is running close to six percent. Last year's pay rise was 4.9 percent.

The two sides unanimously agreed to recommend the settlement for the country's 3.7 million metal workers.

Within hours, union and management in West Berlin said they would adopt the 4.2-percent settlement for the city's 95,000 metal workers. And union and management in Bavaria on Saturday adopted a similar 4.2-percent settlement for their 700,000 metalworkers. The Bavarian agreement begins one month later than that of their colleagues in North Rhine-Westphalia and will last just 11 months to bring the expiration date of the contract in line with the

other contracts next year, a Bavarian employers spokesman said.

The I.G. Metall union originally demanded a 7.5-percent rise while management offered only three percent in nationwide negotiations, which broke down last month.

Thousands of metalworkers staged token "warning" strikes in various parts of the country last week while arbitration was in progress in Krefeld.

Employers leader Paul Pieger said the contract was too costly for many firms and would cause serious problems in view of the difficult economic and employment situation. There are nearly two million persons out of work in West Germany.

Wolfgang Thiele, national metal industry employers' leader, said a lower settlement would have been better for reducing unemployment.

But Mr. Pieger, president of the North Rhine-Westphalia Metal Industry Employers Association, said the compromise would not block the way to boosting the market and securing jobs.

Union leader Karlheinz Bräuer said price developments this year would show if the pay raise was right. It was up to employers to make the settlement work by holding prices down, said the Cologne area I.G. Metall leader.

U.S. Money Figures Add to Bullish Sentiment

By Carl Gewirtz
International Herald Tribune

PARIS — If ever there were a week for a rally in the Eurozone market, this week looks like being it.

Demand for bonds was apparent all last week, with prices on the secondary market rising despite the absence of any decline in short-term rates, and new issues were well received — including the maiden \$400-million Eurobond offering by American Telephone & Telegraph bearing a startlingly low 14 1/4 percent coupon for seven years.

"It was a mildly bullish week," one trader commented, "with nobody quite believing it was justified but with everybody feeling obliged to participate lest they miss the boat."

And they were right. Late Friday, the Federal Reserve reported the U.S. money supply dropped \$3 billion — a figure that was at the maximum end of what analysts had been forecasting. The reaction in the New York credit market was immediate: the price of Treasury securities jumped a full point while the cost of overnight money dropped in 1 1/4 percent from the 14 1/4 percent opening level.

April Blues

Analysts now expect the money supply to decline through the end of this month. They worry about April, however, which year after year has pattern of strong growth in the M-1 measure of money supply. But that is a month away and for now analysts are anticipating a rally in bond prices based on signs that the U.S. economy continues to weaken and that therefore the Fed will have reason to relax its tight money policy.

The only drawback to a burgeoning calendar of new issues this week, bankers reported, is a reluctance by borrowers to jump into the market. Many borrowers prefer to wait in the belief that interest rates will drop even lower in coming weeks and that new issues could be floated more cheaply than at today's levels.

In addition to the AT&T paper, which was quoted on a when-issued basis at a 1 1/4-point discount from issue price, currently on offer are:

• TransCanada Pipelines Ltd.'s \$100-million, 10-year offering carrying an indicated coupon of 16 percent. The coupon and issue price will be set Wednesday. The

issue is callable in 1988 at a premium of 102 percent. A purchase fund will retire \$4 million in each of the first four years, giving an average life of 8.8 years.

• The Interamerican Development Bank's \$55-million offering of five-year notes at par bearing a coupon of 15 1/2 percent. The proceeds will be used to make a swap against Swiss francs.

• Mexico's \$100-million, 10-year offering priced at par and bearing a coupon of 15 1/2 percent.

• In the floating-rate market, Crédit Agricole of France is offering \$200 million in retractable 15-year notes. Investors have the option to request redemption in March, 1990, and September, 1993. Interest will be set at a quarter-point over the six-month London interbank offered rate and is guaranteed to not be set below 5 1/4 percent.

The Philippine Development Bank is offering \$30 million of eight-year floating rate notes, guaranteed by the government, carrying an interest rate set at a quarter-point over the six-month Libor. A minimum coupon of 6 1/2 percent is guaranteed. A purchase fund will retire 10 percent of the issue in the first year, giving an average life of 7.3 years.

Ireland is offering \$100 million of seven-year floating rate notes carrying a coupon set at a quarter-point over the six-month interbank rate.

The secondary market for zero-coupon bonds took a beating last week following the Japanese Finance Ministry's ban on selling zeroes domestically and its decision to tax proceeds from investment in zeros starting next year. Fears that Japanese investors, who have reportedly taken up to three-quarters of many zeros floated recently, would be dumping their holdings over that they will be subject to tax caused prices to fall sharply. But by the end of the week, zeros had recovered all of the decline as European investors stepped in to pick up the paper.

Elsewhere in the secondary market, Burroughs ended the week quoted at 101 after the \$50-million, six-year issue bearing a coupon of 15 1/2 percent was priced at a premium of 100 1/2. The paper was thus sold to yield 15.58 percent.

In the Deutsche mark sector,

Gaz de France, carrying the guarantee of France, is offering 100 million DM of 10-year bonds bearing a coupon of 9 1/2 percent. The issue price will be set March 11, although it is expected at par. The paper is not callable before 1990 and then at a premium of 101.

A sinking fund starting in 1990 will produce an 8 1/2-year average life.

The launch of Gaz de France is due to the postponement of the scheduled issue for Renfe, the Spanish state railway. The timing of this issue was deemed inappropriate given the poor reception to Spain's Telefonica, which was priced at par bearing a coupon of 10 1/2 percent and was trading at 98.

The 150-million-DM, eight-year hullet for Mexico's National Financiera (Nafinsa) was priced at par bearing the indicated coupon of 11 percent.

Still on offer is the 150-million-DM, five-year issue for Italy's Ferrovie dello Stato. Bearing a coupon of 10 1/4 percent and priced at 99 1/2, this paper yields 10.7 percent.

Elsewhere, Hydro Québec, carrying the guarantee of the province of Quebec, is offering \$0 million

Canadian dollar of seven-year bonds priced at par and bearing a coupon of 16 1/2 percent.

Nafinsa of Mexico is also seeking 50 million Canadian dollars, offering seven-year bonds carrying a coupon of 17 1/2 percent. Pricing is open and will be set this week.

The scheduled \$200-million-DM convertible for Muntz Manufacturing was postponed following a sharp fall in the company's share price.

Eurobond Yields*
Week Ended March 3
Int'l inst. lg. term US\$ 15.53 %
Int'l inst. lg. term US\$ 15.35 %
Int'l inst. lg. term US\$ 15.99 %
Can. \$ medium term 16.12 %
French fr. medium term 16.27 %
Int'l inst. lg. term yen 8.27 %
ECU medium term 13.79 %
EUA long term 12.14 %
Int'l inst. lg. term LF 12.30 %
FL long term 12.20 %

Market Turnover
Week Ended March 5
(Millions of U.S. Dollars)
Total 7,722.1
Eurodollar 6,604.1
Eurodollar 1,125.0
Eurodollar 17,413.16,413.1,000.

CURRENCY RATES

Interbank exchange rates for March 5, 1982, excluding bank service charges.

	\$	£	D.M.	F.F.	Y.	S.F.	S.P.	D.L.
Amsterdam	2.673	4.76	10.91	42.80	6.305	6.96	5.92	32.67
Brussels (el)	43.345	79.73	18.475	7.22	3.47	14.85	33.29	3.51
Frankfurt	2.34	4.76	10.91	42.80	6.305	6.96	5.92	32.67
London (lb)	1.872	—	—	—	—	—	—	—
Milan	1.245	2.328	59.35	21.79	—	49.28	29.75	16.75
New York	1.00	—	—	—	—	—	—	—
Paris	4.76	—	—	—	—	—	—	—
Zurich	1.85	3.405	79.81	30.9	6.144	7.95	4.271	23.55
1 ECU	1.2014	—	—	—	—	2.626	44.78	1.914
1 SDR	1.3565	—	—	—	—	2.916	49.25	2.071

	\$	£	D.M.	F.F.	Y.	S.F.	S.P.	D.L.
Equity	1.07	—	—	—	—	—	—	—
Australia	0.7045	—	—	—	—	—	—	—
Austrian schilling	13.75	—	—	—	—	—	—	—
Belgian fr.	47.6	—	—	—	—	—	—	—
Canada	1.214	—	—	—	—	—	—	—
Denmark	7.463	—	—	—	—	—	—	—
French franc	6.55	—	—	—	—	—	—	—
German mark	1.936	—	—	—	—	—	—	—
Italian lire	2.36	—	—	—	—	—	—	—
Japanese yen	354.6	—	—	—	—	—	—	—
Port. escudo	200.48	—	—	—	—	—	—	—
Saudi riyal	3.66	—	—	—	—	—	—	—
Swiss franc	2.00	—	—	—	—	—	—	—

* Sterling: 1201 Irish L.

(a) Commercial bank. (b) Amounts needed to buy one pound. (c) Units of 100. (d) Units of 1,000.

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BALANCE SHEET 31 DECEMBER 1981

ASSETS	NOTE	1981 U.S. \$	1980 U.S. \$
CASH AND DUE FROM BANKS		89,492,404	95,487,442
INTERBANK PLACEMENTS		310,915,320	241,818,993
CERTIFICATES OF DEPOSIT		15,359,093	15,366,973
BOND PORTFOLIO		16,648,711	10,256,979
COMMERCIAL LOANS AND ADVANCES		667,683,853	350,657,106
OTHER DEBIT ACCOUNTS		32,862,183	19,288,814
FIXED ASSETS		2,744,899	388,361
		1,135,506,263	733,264,868

CLIENTS' LIABILITIES — LETTERS OF CREDIT, GUARANTEES AND ACCEPTANCES	7	<u>101,707,856</u>	<u>62,319,602</u>
		1,237,214,119	795,584,270

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Gulf International Bank B.S.C. IBJ International Limited
Midland Bank International National Westminster Bank Group
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Crédit Lyonnais	The Dai-ichi Kangyo Bank, Limited	European Arab Bank
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(Continued on Page 10)

U.S. 'All Savers' Far Short of Goal

By Nancy L. Ross
Washington Post Service

WASHINGTON — Treasury Secretary Donald T. Regan, declaring "It has not served the purpose it was designed to do, so there is no need to continue it," has sounded the death knell for the All Savers Certificate.

The All Savers Act was passed by Congress at the behest of the savings industry over the objections of the Reagan administration. Industry lobbyists persuaded legislators that the bill would pump money into the savings and loans and mutual funds markets. When commercial banks grumbled, they were added to the list of eligible savers. And the housing industry was won over by a provision that 75 percent of new funds would be earmarked for the residential sector. Agricultural loans were also included for political reasons.

Individuals who buy these certificates are allowed to exclude \$1,000 in interest payments from their income taxes; couples filing jointly may exclude \$2,000. The program, which began Oct. 1, 1981, runs until Dec. 31 of this year, but a bill has been introduced in Congress to extend it.

The U.S. League of Savings Associations optimistically predicted sales of All Savers Certificates would reach \$230 billion in 15 months. The Treasury estimated \$120 billion, whereas the Joint Taxation Committee settled on \$65 billion. The National Association of Home Builders and the Na-

tional Association of Realtors predicted that sales would help finance construction of 400,000 to 450,000 new houses during fiscal 1982 and 1983, a 40-percent increase. Moreover, an additional five million households would be able to qualify for mortgages, thanks to lower interest rates made possible because financial institutions pay only 70 percent of the Treasury annual average investment yield on the certificates.

Thrifts Lose

Sales during the first month reached \$35 billion, but tapered off rapidly. By the end of January the total sold by banks and thrift institutions at \$45.4 billion. Reasons for the slowdown in sales include a decline in the interest rate paid on All Savers, competition from Individual Retirement Accounts, lack of a clear tax advantage to the middle income saver, and generally poor economic conditions. Moreover, the projections made by Data Resources Inc. for the construction industry were based on what proved to be an erroneously low interest rate of 13 percent.

That \$45.4 billion total breaks down as follows: commercial banks, \$19.7 billion; savings and loans, \$20.9 billion; and mutual savings banks, \$4.8 billion. For every new dollar customers put in, they simply moved three or four dollars from existing accounts at the same institutions into All Savers. But since the law specifies

that the three-quarters of the funds to go to housing (and agricultural loans) must come from net new funds, one has to calculate how much money was withdrawn from other accounts at the time of All Savers purchases.

Banks generally took in more deposits than they lost in the period between Oct. 1 and Dec. 31, 1981, but thrift institutions suffered terrible hemorrhages. (The law states that the 75 percent be calculated on the basis of interest credited to the accounts, so the figures are higher than would be expected if only net new funds were counted.) The banks' share of All Savers money for housing during the first three months of the program amounted to \$8.1 billion; \$3.6 billion for the savings and loans; and about \$1 billion for the savings banks for a total of \$14.7 billion.

The law allows the money to be invested in conventional or government-insured mortgages, home improvement loans, rehabilitation, cooperative apartments and mobile homes as well as securities issued by secondary market agents such as the Federal National Mortgage Association. There is no breakdown on how the funds are being allocated.

All Savers' sales allowed thrift institutions to quell the outflow of deposits for one month before the run began again. During the fourth quarter, S&Ls made \$10 billion in mortgage loans, of which All Savers funds may have been a part. Any effect All Savers might



Donald T. Regan
...No need to continue it

have had on profits is buried in a sea of red ink; thrifts lost \$6.5 billion last year.

As for the effect on the housing market, again experts find one discernible. Construction and real estate are both stymied by high interest rates. "It is hard to see a measurable effect," said Bob Sheehan, an economist with the National Association of Home Builders.

Yet Mr. Sheehan would support an extension of All Savers under certain conditions: more direct benefit to mortgages, more choices of maturities for savers, and at 85 percent rather than 70 percent of the Treasury bill yield.

Bill to Revoke Shares Raises Investor Concern in Canada

By Irvin Lutsky
Washington Post Service

TORONTO — Securities industry analysts are concerned a recent development in Canada's National Energy Program will probably lead to renewed friction between the United States and Canada and could cause foreign investors to dump Canadian oil and gas stocks.

Federal Energy Minister Marc Lalonde last month unveiled an omnibus Energy Security Act which, among many other proposed changes, could enable Canadian companies to drive out foreign shareholders.

The act contains amendments to many other pieces of federal legislation but the analysts are concerned about proposed changes in the Canada Business Corporations Act.

'Constrained' Shares

What the act would do is to enable companies, dependent on a high degree of Canadian ownership as a requirement for government grants, royalties, licenses and permits to reduce foreign shareholdings by cancelling existing issued shares.

This could happen only if the foreign investor refused to sell. In such circumstances, the company could cancel the shares, reissue them as "constrained" shares and resell them to Canadians. The for-

ign shareholder would then receive the proceeds of the sale.

Companies would be able to issue both free and constrained shares and would be entitled to buy back shares and reissue an equivalent number of shares which could be held by Canadians only.

Foreign investors dissatisfied with their treatment could file notices of dissent and receive "fair value," based on independent appraisal of the company's assets.

There is no indication of how many, if any, companies would resort to the proposed forced Canadianization, but analysts here fear the proposed legislation will be seen as another example of "foreigners not welcome."

Canadian oil and gas companies have been among the most active

issues on the American Stock Exchange in New York. While they accounted for a high proportion of total Amex trading in 1981, analysts say activity in the Canadian

oil has fallen by half in New York. They fear that the Energy Security Act could result in a further steep decline in interest in Canadian energy securities among U.S. investors.

They also fear that Canadian oil and gas shares will decline if companies use their own funds to buy back stock, reissue it in restricted form, and attempt to resell the shares to the smaller Canadian population.

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DOLLAR (U.S.)	17 %
STERLING (£)	15.75 %
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MARK (Deutsch)	12.75 %
FRANC (Swiss)	9.5 %

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U.S. Firms Split in Fight Over EEC Proposals

(Continued from Page 7)

the ball for Mr. Fisher in the Senate, said when he introduced his bill last August that the Europeans are ingrates who failed to recognize the benefits to "the economic health of Europe" from the activities of U.S. firms.

Neither Sen. Symms' bill nor its counterpart in the House has made any legislative headway. Sources in Congress acknowledge that the purpose of introducing the so-called "blocking legislation" was more to fire a shot across the bow of the Europeans than to enact enforceable laws.

The State Department has been caught in the middle. The department disapproves of what the Europeans propose to do, but it also wants to avoid a confrontation with the EEC at a time when irritants to U.S.-European relations are proliferating.

A senior State Department official said last week that the U.S. hopes the U.S. corporations, and some in Europe that share their concerns, can do their own negotiating with the EEC and avoid escalating this into a confrontation

between the U.S. government and the European community.

Mr. Fisher, a partner in the firm of Patton, Boggs and Blow, represents Mars Inc., the secretive candy and rice empire based in McLean, Va., and "about 20 other multinationals" that he declined to name because "a lot of them have investments in Europe which are hostages to the governments over there," he said.

He acknowledged that his tactics — which go so far as to suggest that U.S. defense commitments to NATO might diminish if the Europeans undercut U.S. economic interests — have stirred resentment within the EEC.

Reverse Effect

But, he argued, "publicity is our best weapon, because what they are doing is illegal. It is outside the scope of the Treaty of Rome, which created the EEC," he said, and since it is illegal "you can understand why the Europeans don't want to read it in the newspapers."

Such free-wheeling verbal assaults, in the opinion of some opponents of the proposed regulations, have the effect of reinforcing

the determination of the regulations' supporters to push them through. Because he represents Mars, which holds its corporate information as closely as possible and has a reputation as anti-union, Mr. Fisher is viewed by critics in Europe as a well-financed pleader whose tactics jeopardize the interests of other U.S. businesses.

Ivor Richard, the British Laborite who as the EEC's commissioner for Social Affairs is the key figure on the European side, said recently that "the Fisher group's tactics are totally counterproductive. The person they have to influence is me, and they have not had a scrap of influence on me, nor will they. We are legislating for Europe, not for the United States."

A London newsletter, The Inside Line, observed that "Europeans are baffled by the hysteria in America" over the Vredeling proposals. "Progressive politicians in Europe have been talking for decades about the democratization of management decision making. ... Europeans are amazed that so much attention has been focused in America on proposals which

have very little chance of being passed in their present form."

Mr. Fisher is skeptical of such assurances. While U.S. executives who profess to understand Europe's way of doing things and rely on a low-key approach are pursuing their gentlemanly negotiations, he argues, regulations that will damage their businesses are making their way toward adoption.

So he scrapped the traditional approach in dealing with the Europeans and launched a well-financed, highly visible campaign in the grand Washington manner, complete with blunt lectures telling the Europeans their own self-interest is at stake.

"I admit my style is unusual," he said, "but I grabbed their attention."

He so irritated the Europeans, and other representatives of U.S. business, at a meeting in Brussels last July that he and his law firm were dropped from the National Foreign Trade Council.

Then in October Mr. Fisher told the newspaper Le Monde that "the American firms, who control half the industrial capital of the European Community, some \$80 billion, are not without means of applying pressure" — just the sort of comment that arouses the resentment of Europe's leftist trade unions and nationalist politicians who are pressing for enactment of the corporate controls.

Le Monde named several of the corporate giants that have opposed the regulations: International Harvester, Union Carbide, General Motors, Ford, Kodak, IBM and others — and implied that Mr. Fisher represented them. That provoked outrage in the boardrooms of the corporations, according to several sources here and in Europe, and led them to openly repudiate Mr. Fisher and his tactics. Mr. Fisher says he was "misquoted" by Le Monde.

China Taps Skill of Danish Brewer

(Continued from Page 7)

ny to have gained a foothold in China. So far as the Carlsberg people can determine, China is interested in developing the domestic market, even though it already produces beer, and several Chinese brands, notably Tsingtao, are sold abroad.

The China agreement is the latest of a long history of foreign successes for United Breweries. The company sells beer and soft drinks in 130 countries, through exports, its own breweries or licenses.

United Breweries is now the second only to Heineken of the Netherlands in worldwide sales, although the Dutch firm is about twice its size.

Foreign business accounts for all the company's recent growth. Sales in Denmark, where Carlsberg and Tuborg share 80 percent of the market, have been static for a decade, while those overseas grew 4.1 percent last year alone. "Our future is overseas," a company executive said.

Exports from Denmark actually fell 5.4 percent year. "Shipping costs have increased enormously in recent years," explained Carlsberg spokesman Ole Andreasen, "far out of proportion to the cost sense paying huge sums to ship water around the world."

Thus, there are company-owned breweries in Britain, Malawi, Malaysia and Hong Kong, while licenses operate in Canada, Cyprus, the Ivory Coast, Greece, Ireland, Italy, Portugal, Spain, Sweden, France, Turkey, the United States, Belgium and Britain.

And competition overseas is heating up. "A big factor in that market is going to be Anheuser-Busch," said Edmund Goldman, an analyst with Sanford C. Bernstein & Co. "They are test marketing in France, Sweden, Germany, even Japan, and when they get rolling, they could make a real impact on overseas markets."

But most people in beer rate United Breweries highly for quality and innovation, as well as salesmanship.

Two years ago a subsidiary, Danbrew Consult Ltd. was set up, which brings together some 30 Carlsberg and Tuborg specialists in a consulting organization that can, its officers claim, do anything from correcting the taste of a client's beer to eliminating the ear-shattering noise in a bottling room to producing a complete, turnkey brewery operation.

"We thought we'd find our challenges in the third world," said Finn B. Knudsen, Danbrew's executive vice president, "but we spend most of our time helping established industrial company breweries meet new environmental standards."

The Chinese connection, expected to last a minimum of two years, came about through Carlsberg's prominence in Hong Kong where the company is part-owner of one of the most modern breweries in the world. The Chinese initiated the contact, and under Danbrew's

guidance, much of the training will be done at the Hoop Koo plant where Chinese technicians are to arrive this spring.

The first team of Danbrew technicians is already in Canton, at the Guangzhou brewery, and some of the Hong Kong Carlsberg is already distributed in China.

"Brewing techniques in China are about 40 years out of date," Mr. Knudsen said.

Fermentation, the basis of the company's new work with insulin as well as its classic efforts with beer, is a complex chemical process, which scientists are constantly trying to understand better and improve. Thus, beer and scientific research are natural partners.

This is particularly true at United Breweries, which is in fact run by academics. The company is about 70-percent-owned by the Carlsberg Foundation which is run by five trustees, all of them prominent academics chosen by and from the membership of the Royal

Danish Academy of Sciences and Letters. The present board chairman of United Breweries is Professor Kristof Gilmann, a historian.

Carlsberg and Tuborg have had a special arrangement since 1895 when they agreed to share profits over a certain level. In 1903 they added losses to what they would share. They finally merged in 1970, and United Breweries has thrived under its academic directors and Mr. Svanholm's management.

Mr. Svanholm runs things from a modest upstairs office over a portion of the original Carlsberg brewery almost in the center of Copenhagen.

In 1980, the company reached a long-term agreement with its militant trade unions that will enable it to automate many of its production facilities. The company promised no dismissals for five years and that attrition would reduce the job total, 6,542 last year, by no more than 1,100 employees by May 1985.

Politics Snares Pemex Loan

(Continued from Page 7)

the largest supplier of oil to Israel. Mexico has restricted oil sales to not more than 20 percent of any one country's total needs, a move seen as yielding to Arab pressure. But in the current market, that limit is observed more in the breach than in the practice, analysts say.

Not surprisingly, amid the uncertainty about what is going on and why, all kinds of rumors get started. A completely different view heard in the market, is that the Arabs may have pulled out to do their own deal with Pemex at different, more generous terms than the 3/4 point over the London interbank rate offered on the publicly syndicated loan. This is denied by Angel Gurria, director of external finance at Mexico's finance ministry. Approval for a foreign loan would have to pass through his office, he said in a telephone interview, and "I know nothing about it."

Financing Role Grows

Mr. Gurria also rejects the view that petrodollars are abandoning Mexico. "We have increasingly important relations with the Arab banking world," he said, adding that "they are playing a bigger role in the proportion of [Mexico's] overall financing."

Meanwhile, the Euromarket is nervously trying to figure out whether Arab banks are now observing a more orthodox boycott of "Zionist" banks or whether the boycott is just a pretext to a pull out.

At last count, in addition to the 29 lead managers, six banks have joined the Pemex deal as managers (taking \$25 million each), five have joined as co-managers (taking \$15 million or more) and 16 as partici-

pants (taking from \$1 million to \$14 million).

Elsewhere, Arab Banking Corp. and Arab-Latin American Bank are putting together a \$300-million standby for the central bank of Peru. The maturity is 3 1/2 years and interest is set at 3/4 point over Libor, sweetened with a quarter-percent facility fee and front-end fees.

Loan for Venezuela

Venezuela's Industrial Bank is seeking \$200 million for three years. Lenders have the option to extend the loan for a further two years. Interest will be set at 3/4 point over Libor and lenders will be paid an extension fee of 1/4 percent.

As expected, Segba, the Buenos Aires electricity utility awarded its \$200-million loan to a group led by National Westminster and ABC. Interest is set at 1 1/4 point over Libor for the first four years and 1 1/4 for the final four years. Interest on prime-based loans will be 3/4 point lower. The grace period is three years and the front-end fee is 1 1/4 percent, up 1/4 point from the previous Argentine loan by YPF.

In Australia, Vamgas is borrowing \$150 million. Half will be done by domestic banks in Australian dollar equivalent and half will be syndicated as a 10-year Euroloan. Interest will be set at 1 point over Libor while the oil and gas project is under construction (expected about 3 1/2 years) and thereafter 3/4 point over Libor.

Vamgas will be pay a quarter-percent fee on the amount of the loan that is undrawn. 3/4 point on the amount it declares it intends to draw but has not yet taken. In addition, the funds can remain undrawn and be used at bank guarantee, in which case interest will be set at 1 1/4 point less than if it uses the money.

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March 8, 1982

Confident Scottish Rugbys Subdue French, 16-7

By Bob Donahue

International Herald Tribune
EDINBURGH — Scots in white jerseys and shorts ended up playing with the confidence of an average, reminding onlookers of 15-man swarms by New Zealand's first All Blacks at their best. Still, the end Saturday the score was 16-7.

The white, instead of Scotland's usual midnight blue, had enabled the French to wear their royal blue. The narrow points margin, so, might have been pleasing to millions of French fans watching on television at home.

But one doubted that. Down the press box at Murrayfield, after live French radio commentary being stopped — with a reference to a costly Napoleonic battle at the moment from Russia — into telephone early in the final quarter. "There's no point waiting any longer to sum up! This is Berezina! This is catastrophe!"

This was the third of four matches in the Five Nations rugby championship for both sides. Scotland, with Wales yet to play, has a history, a draw and a loss. France, with undefeated Ireland yet to play, has three losses.

A few hours earlier, on Princes Street in the center of Edinburgh, playful Frenchman was heard saying a policeman in order the riddle stopped. The big Scot roared without looking down. "I ordered it started." Apparently, meaning that the sun always shines in the Basque coast, Scots had been praying for familiar rain to help them beat brilliant Frenchies.

In Good Hands

Down Princes Street, Past Nimitz's Bistro, and the National Society of Scotland, and an enormous old cross between Charnock and the Kremlin called Donaldson's School for the Deaf, and an odorous distillery, and a Citroën showroom, of all things.

To Murrayfield's grassy east embankment and the venerable grandstand opposite.

The fine drizzle stopped, leaving a condition known as "slightly greasy." Strange to say, Basque backs would often drop the ball to Scots almost over.

Fullback Andy Irvine, the captain, and Scottish national hero, kicked a penalty after 2 minutes and 35 seconds. Fullback Marc Sallerfrange missed after six minutes. Then Irvine missed three times and Sallerfrange once. The French had been told to start cautiously; even so, right wing Serge Blanco might have had a try if Sallerfrange had passed to him. The French were holding their own in the lineouts but suffering in the scrums.

It was from a scrum, though, that scrumhalf Gerald Martinez broke in the 37th minute, flipping a backhanded little pass to his captain, Jean-Pierre Rives, who scored ahead for a try in the middle, short legs pumping and long blond hair in the wind. Sallerfrange missed the easy conversion but finally managed a penalty. Half-time score, 7-3 for France, Berezina?

Sallerfrange of Dax, who is 21, missed again. Irvine of Edinburgh, who is 30, didn't. 7-6 for France. Jean-Patrick Lescarboura of Dax, who is 20, missed. Jim Renwick of Hawick, who is 30, dropped a goal. 9-7 for Scotland. Whereupon Scotland took heart and France lost heart, as both sides later saw it.

Thus followed 28 minutes of desperate French defense and swelling Scottish exhilaration to have recovered the cohesion and élan of their best moments on tour in New Zealand eight months ago. The net was a try for flyhalf John Rutherford and another Irvine penalty: 16-7 for Scotland.

Late Saturday night at the North British Hotel, Jan McLachlan, the former captain who

played 43 times for Scotland, said he had never seen such a bad French team. There was another way to look at it: Irvine said he couldn't remember Scottish forwards playing better.

A few yards away, young Basques in dinner jackets were singing strongly and well together in defiance of likely bad news to come for some, when the team to play Ireland is picked. On Friday in Edinburgh, French Universities had beaten Scottish Universities, 36-18. A few weeks earlier, in the annual match between the under-21s to the national teams, France B had piled up more than 40 points in a rout of Scotland B.

French White, a Scottish flanker in his first international Saturday, is the fifth rookie of 6-foot-3 or more to make his mark in the 1982 championship, after Ireland's Donal Lenihan, Welshmen Richard Moriarty and Steve Sutton and England's Steve Bainbridge. The French have tried and dropped two, Alain Llorca and Eric Buchet, and a third, Laurent Rodriguez, may or may not survive.

In Cardiff March 20, Scotland will try to end a 28-game undefeated Welsh streak at home in the championship. In Paris, France will try to prevent the first Irish grand slam since 1948. Reliable placers will be useful, in a championship that has so far produced 43 penalty goals but only 18 tries.

England Beats Wales

International Herald Tribune

LONDON — Brash tries Saturday by wings Mike Stemen and John Cardston looked up second place for England in the championship. Three penalty goals by Dusty Hare were extra punishment in a 17-7 defeat of Wales.

Another winner was Ireland, now assured of finishing alone in

first place even if it loses against France in Paris March 20, since no other team can match its three victories. England has two victories and a draw, but has played all four of its matches. Wales has a victory and two losses.

The 10-point victory margin was England's highest against Wales since 1921. The Welsh have lost nine of their 10 away matches in four years, starting with a 1978 tour to Australia.

Slamen took a pass from scrumhalf Steve Smith after a winning ruck and outran Welsh wing Robert Ackerman to the corner. Cardston replaced Smith when the scrumhalf was trapped in a maul, and instead of passing the ball that his forwards fed to him he ran 40 meters for a solo try.

Welsh flanker Rhodri Lewis got a try, prolonging penetration by center Alan Donovan, and flyhalf Gareth Davies kicked a dropped goal. Two Hare penalties made it 14-7 at half-time.

The Brotherhood of Baseball: All in the Family

By Thomas Boswell

Washington Post Service

FORT LAUDERDALE, Fla. — They sit together now as they sat together then, 60 years ago and more. In their long lives, almost nothing has stayed the same. Except baseball.

The three Mazotas brothers have changed. But the game, the marginalia of their common life-time, hasn't. It was there at their start, they remember the dead ball and were adults when Babe Ruth played. And it's still there, a kind of gentle chamber music on the clavier, at the last.

"They about soured me last summer. But they couldn't drive me away. The game pulls you back. The game is strong," says 78-

year-old Red, the way someone born on a farm — as the Mazotas were — might say. "The land is strong."

The strike last season was just "a temporary annoyance," says Leo, 73, a former lawyer, as if the mere thought of abandoning the game were the extreme of cutting off one's own nose. "The players are more intelligent now. There's more finesse. Baseball's just got a lot more to it than other sports, more substance."

"Game's just as good as ever, I guess. Some ways better. More speed now," says Ted, 70, whose words are clipped and pruned — partly by a life in New England, partly, perhaps, because he was a telegraph operator. "Best part is, the game's there for you every day."

Shoulder to shoulder in the third-base stands, the two burly ones, Red and Leo, are bookends around this Ted, who looks like actor Don Knotts. All wear floppy baseball-style caps and have the rumpled, self-sufficient look of a harder but simpler age. They're senior citizens, retired, no wives left.

These three Connecticut Yankees migrate to Florida from Hartford as soon as the ballplayers arrive. In the morning, they play golf. Then they head to the Yankee ballpark here. They come early to catch the bargain days when work- and calisthenics and drills and rookie B games are free. They've got tickets to nine Yankee spring training games, but recent paying \$5 for an exhibition.

"Fifteen years ago, you got a real program. Now, they hand you this lousy piece of paper," says Red, looking at the flimsy, tissue-thin scorecard.

Long ago, in their playing days, they watched Jim Thorpe when he came through Hartford, playing in the Eastern League. And they spotted that kid from Columbia University who played under a fictitious moniker so he wouldn't lose his amateur status. Sure, they remember him — Lou Gehrig.

Matter of fact, Red Mazotas played semipro ball against Gehrig one summer. Or at any rate figures he probably did, seeing as how Gehrig was born in 1903 and Red in '04.

"I'd have to say he [Gehrig] was pretty damn good," says Red, a tough man with a complement. Has anybody since hit the ball like Gehrig? Red chews it over before deciding that maybe one upstart was worthy of comparison. "Hack Wilson," he says, naming the ex-Cub, dead 33 years.

Sifting

To sit with the Mazotas brothers is to be reminded of why ballplayers are one of our last, best community gathering spots. That it's a cliché doesn't diminish the fact that in few, if any, of our public places do our differences of age, race and the rest give way so readily to common tastes.

One minute, the talk is of Hank Greenberg and Warren Spahn — the way they looked when the Mazotas clan (seven brothers and two sisters) first spotted them as minor leaguers. The next instant, a Yankee pitcher named John Pacella has just given up a long home run to Atlanta's Dale Murphy; "he'll be back in AAA again," says one brother. The whole process of sifting a young crop is being done again, this time with a Pacella failing to fill the shoes of a Spahn.

On each new baseball subject, the brothers' opinions run the

gamut, on two exactly agreeing — although not absolutely disagreeing — on anything. It's as if, through all the back-porch discussions during advancing age, they have, by convenience as much as conviction, each staked out a slightly different position, the better to while away the hours.

In this sense, they are perhaps typical of any group of lifelong fans. For instance, Red, a flight maintenance chief who was with the Flying Tigers in China in World War II, didn't like the players' position during the strike one bit. He sees all that fresh green money being stuffed into their young pockets and figures it's being taken from his old pocket. "The fans are the suckers," he says. "Oh, I guess I shouldn't say that since I'm still one."

Leo's on flaming liberal, but he likes to point out that "all that TV income today helps the owners now. The old owners didn't have that. . . . There's more money from advertising and everything else. Salaries are bound to be higher. More power to them, if they can get it."

No Grudge

What's of note is that none of the Mazotas — and none of those we hang around with — says Red — holds any significant grudge against a sport that has given them 60 or 70 good summers to one poor one.

Oddly, these spry codgers even look for the best in Commissioner Bowie Kuhn. "He just gets stuck trying to satisfy everybody," Ted says.

Like all who care for the game, they'd rather talk the loyalties of the heart than the economics of the wallet.

"There's Yogi Berra," says Red, spotting the Yankee coach. "Gets \$50,000 or \$60,000 a year to count the baseballs."

"Bill Dickey was better," says Leo. They all nod agreement. Next case.

Chris Chambliss steps to the plate. "Dignified," says Red.

"Journeyman," amends Ted. "A top journeyman," says Leo, getting it precisely right. Next case.

"The Babe was my all-time favorite, an automatic showman," says Ted, who's such a Yankee fan that he says he drinks Ruppert's (whiskey) in honor of roaring '20s Yankee owner Jake Ruppert. "Never compare to Ruth."

"Ted Williams compares to all of them," demurs Leo, giving the perspective of the lifelong suffering Red Sox-Yankee rivalry. As a consequence, Hartford has, for decades, been bombarded with TV broadcasts from both clubs, making it a fans' paradise.

The buffoonish pop-sociology question to ask these gentlemen, with nearly 200 years of bearing witness to baseball among them, would be: Now, after the historic strike of '81, how often will you be in the ballpark '82?

Whole package: spring at the Yankee camp, minor league hall around Hartford, an occasional pilgrimage to Yankee Stadium on Fenway Park, plus all those radio and TV games. So Red Mazotas — the old semipro, the Flying Tiger — has the proper reply.

How often at the park? He answers as he would have any summer since before World War I. "In a sense," he says, "every day."

U.S., Sweden, New Zealand Gain in Davis Cup

From Agency Dispatches

RANCHO LA COSTA, Calif. — John McEnroe and Peter Fleming overpowered Vijay and Anand Amritraj, 6-3, 6-1, 7-5, Saturday as the United States took to India in its round-robin Davis Cup play. In singles matches Friday, McEnroe beat Vijay Amritraj, 6-4, 9-7, 7-5, and Eliot Teltscher took second-round competition against Sweden later this summer at a U.S. tie yet to be determined.

Sweden clinched its best-of-five series with the Soviet Union in Stockholm as the young doubles team of Anders Jarryd and Hans Simonsson overcame Vadim Borisov and Konstantin Popyayev, 8-10, 6-2, 8-6, 6-0.

New Zealand defeated Spain, 3-2, behind Russell Simpson's dramatic victory Sunday in the final singles match at Christchurch. Angel Gimenez gave Spain hope when he dominated the first two sets, but his game fell apart to let Simpson take the final three sets with good serving. The final score was 2-6, 5-7, 6-1, 6-3, 6-1.

Down, 0-2, on Friday, Spain stayed alive Saturday when Sergio Casal and Gimenez beat Simpson and Onny Parun, 6-3, 3-6, 4-6, 6-3, 6-4. In the first singles match Sunday, José López Maeso had little trouble disposing of Parun, 10-8, 6-3, 9-7.

Italy took a commanding 3-1 lead over Britain in Rome Sunday, as Adriano Panatta defeated Richard Lewis, 8-6, 6-4, 6-2. Italy will play New Zealand in the next

round. Italy had registered 6-4, 6-3, 6-3 doubles victory Saturday, in a singles match suspended from Friday, Corrado Barazzutti defeated Lewis, 11-9, 6-1, 6-1.

In Prague, Pavel Slozil and Tomas Smid defeated Christopher Zepf and Hans-Dieter Beutel, 6-4, 6-3, 6-3, to give the Czechs an unbeatable 3-0 lead over the West Germany Saturday. On Sunday, Smid defeated Rolf Gehring, 6-3, 2-6, 6-3.

In Buenos Aires, France advanced to a quarterfinal meeting against Czechoslovakia by defeating Argentina, 3-2, Sunday when Yannick Noah stopped Ricardo Cano, 8-6, 6-1, 8-6. Guillermo Vilas throttled Frenchman Thierry Tulasne, 6-1, 6-0, 6-1, earlier in the day. On Saturday, Noah and Gilles Moreton defeated Vilas and Alejandro Zambrano, 6-4, 6-3, 6-2, to give France a 2-1 edge. After Vilas beat Noah on Friday, Tulasne tied the series with a 6-1, 6-3, 6-2 victory over Ricardo Cano.

Mexico took a 2-1 lead in its series with Australia as Raúl Ramirez and Jorge Lozano defeated John Alexander and Phil Dent, 3-6, 7-5, 7-9, 7-9, in Mexico City. On Friday, Ramirez beat Peter McNamara, 6-2, 6-3, 6-4, and Mark Edmondson beat Francisco Maciel, 6-3, 6-4, 6-1.

In Santiago, Pedro Rebolledo defeated Ili Nastase of Romania, 5-7, 6-4, 6-1, 6-3, Sunday to give Chile a 3-1 lead. Chile advances to the quarterfinals against the Mexico-Australia winner. The Chileans had a 2-1 lead after Rebolledo defeated Florin Segarceanu, 6-4, 6-2, on Friday and Saturday's doubles victory, when Belux Prajoux and Jaime Filio defeated Segarceanu and Andrei Dirzu, 8-6, 6-1, 2-6, 6-1. Nastase gave Romania its lone singles triumph Saturday when he defeated Prajoux, 1-6, 9-7, 6-4, 6-8, 6-2.

Paraguay, meanwhile, beat Ecuador, 3-2, in the American Zone (South) qualifying semifinal in Asuncion. The winners' Victor Peci downed Andres Gomez, 7-5, 5-7, 6-2, 6-4, Sunday while teammate Francisco Gonzalez lost to Ricardo Ycaza, 6-1, 5-7, 3-6.

In Montreal, Harry Fritz and Josef Brabec Jr. overpowered Alejandro Cortes and Jaime Vazquez, 6-3, 6-3, 6-3, Saturday to give Canada a 2-1 lead over Colombia in the other American Zone semifinal.

In Eastern Zone play, in Jakarta, Jeon Young Dae and Song Dong Wook beat Indonesia's Atet Wijono and Tintus Arianto, 6-3, 6-3, 6-2 as South Korea took a 2-1 lead. And in Tokyo, Japan took a 2-0 lead against Thailand.

Jansovec Defeats King, Meets Hanika in Final
United Press International
INGLEWOOD, Calif. — Fifth-ranked Mima Jansovec put an end to the historic of Billie Jean King with a 6-4, 6-2 victory and No. 3 seed Sylvia Hanika defeated Leslie Allen Saturday night to advance to the finals of a women's tennis tournament.

King, 38, had outlasted Andrea Leand, 3-6, 6-0, 7-6, in a Friday quarterfinal match; earlier in the tournament she had beaten two other 18-year-olds, Bettina Bunge and Leigh Ann Thompson. In other quarterfinal matches, Allen had beaten Barbara Potter, 7-6, 6-0; Hanika routed Jo Durie, 6-2, 6-1; and Jansovec got past Yvonne Vermaak, 7-6, 6-1.

Also, on Saturday, Kerstin Knabe of East Germany won the women's 60 meter hurdles in 8.09 seconds, ahead of Elena Biserova of the Soviet Union in 8.11.

Viktor Spasov of the Soviet Union won the pole vault Sunday ahead of teammate Konstantin Vol-

late in the season, people miss the early part of it."

A former punter at the University of Richmond who turned down a chance to play for the NFL's Baltimore Colts to coach at Arizona State, Bruce Allen said his new job would not free his father to take over coaching responsibilities.

"There are bigger problems with the team than just a football coach," he said. "We have to address those problems first. He [his father] is interviewing several coaches now, and he'll have an announcement to make soon."

George Allen and Son Team Up in Montreal

United Press International

MONTREAL — George Allen as made his first management appointment as the new president of the Montreal Alouettes, giving his 5-year-old son the job of filling S-stands for the first time last season. Only three victories last season.

The announcement was made last week, two weeks after Allen, who holds the fourth-best record of any coach in National Football League history, was named president, chief executive officer and art owner of the Canadian Football League team. Allen also bought 20 percent of the team on Nelson Skalbania, with an option to buy a majority share.

George Allen, the former head coach and general manager of the semi-professional Los Angeles

Thunderbolts, was hired as vice president of operations to oversee marketing, promotions and finance for the Alouettes.

Acknowledging that he inherited a difficult job, Allen said he was trying to fill Olympic Stadium's 60,000 seats for a team that finished 3-13 last year — the younger Allen said "the fans had it as rough as the team" in 1981.

"I hope they can tell me how to win them back," he said. "But I don't plan on sitting in the office to find out."

Allen said the biggest problem in reselling the Alouettes will be the team's credibility. "If we have only 30,000 fans, I want them to enjoy it and be loyal," he said. "A team has to be respected. The only disappointment might be if we're 10-6 or even 9-7 and, if it happens

Hagler to Defend Title Against Lee

The Associated Press

ATLANTIC CITY, N.J. — Marvin Hagler was to defend his undisputed world middleweight championship here Sunday against William (Caveman) Lee, a substitute for the injured Mickey Goodwin. It is considered as a warm-up for a title bout later this spring between Hagler and Thomas Hearns, the former World Boxing Association welterweight champion.

Hagler, who has a 53-2-2 record with 44 knockouts, the championship — recognized by both the WBC and WBA — by stopping Alan Minter of England in the third round at London Sept. 27, 1980, and has made three defenses, all in 1981.

Also, on Saturday, Henry Lauterbach won Saturday's long jump in 7.86 meters (25.93 feet), edging Rolf Bernhard of Switzerland, the defending champion, by three centimeters.

Also, on Saturday, Kerstin Knabe of East Germany won the women's 60 meter hurdles in 8.09 seconds, ahead of Elena Biserova of the Soviet Union in 8.11.

Viktor Spasov of the Soviet Union won the pole vault Sunday ahead of teammate Konstantin Vol-

Czech Woman Sets 400-Meter Indoor World Best of :49.59

The Associated Press

MILAN — Czechoslovakian Jarmila Kratochvilova, showing overwhelming power, set a new world best of 49.59 seconds in the women's 400-meter race during Sunday's second and final day of the European indoor track and field championships.

The 31-year-old Czech star held the previous mark of 49.64 set in Vienna in January, 1981.

Dagmar Ruebsam of East Germany placed second in 51.18 and West German Gaby Bussmann was third in 51.57.

East German Henry Lauterbach won Saturday's long jump in 7.86 meters (25.93 feet), edging Rolf Bernhard of Switzerland, the defending champion, by three centimeters.

Also, on Saturday, Kerstin Knabe of East Germany won the women's 60 meter hurdles in 8.09 seconds, ahead of Elena Biserova of the Soviet Union in 8.11.

Viktor Spasov of the Soviet Union won the pole vault Sunday ahead of teammate Konstantin Vol-

Willie Stargell, in his 20th and last season with the Pittsburgh Pirates, helps catcher Gary Alexander get a few of the kinks out.



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Müller Takes Last Downhill Of Cup Season

United Press International

ASPEN, Colo. — Peter Müller of Switzerland ended the World Cup downhill season with his third consecutive victory Saturday, finishing the 3,170-meter (1.97 miles) course in 1:46.50.

The victory gave Müller 115 points, equalling Canadian Steve Podborski's total, but Podborski is the 1982 downhill champion because his sixth-best finish this season was better than Müller's. The top five finishes determine the World Cup points.

Both Podborski and the first downhill champion from North America, and Müller, who won the title twice in 1979 and 1980, each won three races and placed second on two occasions this season for a total of 115 points. The rebreake was Podborski's sixth-best effort — a fourth at Val d'Isere, France, which topped Müller's sixth-place finish at Kirchzettel, Austria, 24-28.

"I forgot about the problems early and now it's all OK and I'm very happy," said Müller, 24. "I hurt my leg in September. . . . Now my form comes back."

Canadian Todd Brooker was second in 1:47.18 Saturday. Austrian Helmut Holderer third at 1:47.31. Veteran American racer Phil Mahre, who is leading both the World Cup slalom and giant slalom standings and is virtually assured of winning his second overall cup championship, finished ninth in a time of 1:48.21.

MEETS DOWNHILL

1. Peter Müller, Switzerland, 1:46.50.
2. Todd Brooker, Canada, 1:47.18.
3. Helmut Holderer, Austria, 1:47.31.
4. Phil Mahre, Switzerland, 1:47.35.
5. Silvano Malt, Switzerland, 1:47.41.
6. Gustav Othman, Austria, 1:47.42.
7. David Irwin, Canada, 1:47.49.

FINAL DOWNHILL STANDINGS

1. Steve Podborski, Canada, and Müller, 115 points.
2. Walter Thöni, 97.
3. Edwin Rieder, Austria, 76.
4. Franz Klammer, Austria, 71.
5. Ken Read, Canada, 65.
6. Toni Sailer, Switzerland, 54.
7. Peter Wirginer, Austria, 53.
8. Hans Gmünder, Austria, 49.
9. Hans Gmünder, Austria, 49.
10. Franz Klammer, Austria, 49.

Spurs and Bucks Break Record in 171-166 Shootout

The Associated Press

SAN ANTONIO, Texas — A sellout crowd at HemisFair arena got its money's worth Saturday night, when it took the San Antonio Spurs three overtimes to register a rare, score-breaking 171-166 National Basketball Association victory over the Milwaukee Bucks.

The clubs' total of 337 points broke the NBA record of 316, set in 1962 when Wilt Chamberlain scored 100 points to lead Philadelphia past New York, 169-147, and matched in 1970 when Cincinnati beat San Diego, 165-151. The Spurs' total came within two points of the old record for most points scored by a team, set in 1959 when Boston scored 173 against Minneapolis.

The winners' George Gervin had a season-high 50 points, offsetting a brilliant 42-point effort by Brian Winters. With Winters hitting his team's final 13 points, Milwaukee rallied from six points down with 2:53 remaining to send the game into overtime at 131-all.

The Bucks took substantial leads in the first two extra periods, only to have the Spurs rally each time. Milwaukee led 145-141 with 36 seconds left in the first and held a 157-153 lead with :51 left in the second. But Mike Mitchell hit a shot at the buzzer to knot the first overtime at 145-145 and Gervin tied the second.

Gervin made eight straight points in the third overtime to stake San Antonio to a 165-161 lead with less than two minutes remaining. The Bucks were unable close the gap.

NBA Standings

The Associated Press

EASTERN CONFERENCE
Atlantic Division
Boston 17 17 17
Philadelphia 15 15 15
New York 14 14 14
Washington 13 13 13
New York 12 12 12
Central Division
Milwaukee 12 12 12
Indiana 11 11 11
Detroit 10 10 10
Cleveland 9 9 9
Chicago 8 8 8

WESTERN CONFERENCE
Midwest Division
San Antonio 17 17 17
Houston 16 16 16
Denver 15 15 15
Kansas City 14 14 14
Dallas 13 13 13
Utah 12 12 12
Pacific Division
Los Angeles 11 11 11
Seattle 10 10 10
Golden State 9 9 9
Phoenix 8 8 8
Portland 7 7 7
San Diego 6 6 6

Standings Results
Atlanta 112, New York 111 (Tuesdays 34).
Detroit 112, New York 111 (Tuesdays 34).
Lubbock 101, New York 111 (Tuesdays 34).
San Antonio 171, Milwaukee 166 (Sat. 171-166).
Milwaukee 166, San Antonio 171 (Sat. 171-166).
Washington 122, Utah 111 (Sat. 122-111).
Dallas 122, Utah 111 (Sat. 122-111).
Denver 122, Washington 111 (Sat. 122-111).
Golden State 112, San Diego 111 (Sat. 112-111).
Phoenix 112, San Diego 111 (Sat. 112-111).
Portland 112, San Diego 111 (Sat. 112-111).
San Diego 112, Portland 111 (Sat. 112-111).
Seattle 112, Portland 111 (Sat. 112-111).
Vancouver 112, Portland 111 (Sat. 112-111).

Friday's Results
Philadelphia 89, Atlanta 88 (Erving 22, B. Jones 25; MacLean 12, Matthews 11).
New York 109, Chicago 99 (R. Williams 20, Cook 19; Greenwood, Jones 14, Thruett 12).
Boston 108, Houston 101 (McAuliffe 24

Language

Fruitful Exchanges

By William Safire

NEW YORK — "The foreign minister and the secretary had a fruitful exchange of views," says the official Spokesman. The State Department correspondent jots down "fru" and asks, "Would you also characterize their talks as candid?"

"A full and fruitful exchange," says the Spokesman carefully, adding a new adjective, not the one the reporter suggested.

"You would not say 'full and frank'?" asks another member of journalism's ultracognoscenti.

The official Spokesman never overtly rejects a word of art, but substitutes one of his own: "Forthcoming," he says finally.

Here is the key to that minut. In Spokesmanspeak, fruitful means: "It went pretty well. They got somewhere." Candid means: "They bickered at each other a lot and told each other where to get off." Frank is the diplomat's way of saying: "We did not agree on a thing." Full means: "It went longer than we figured, lunch got cold, the chief is miffed." Full and frank means: "It looks like war." Forthcoming means: "They actually made an offer, and we're thinking about it." Its opposite is unhelpful, which translates as: "Such crude interference could set back the cause of peace for decades."

Those are the old standbys in striped-pants vocabulary, which are sometimes adopted by politicians. When Sen. Edward Kennedy left a meeting with President Carter, who had tried to talk him out of running for the 1980 Democratic nomination, the senator called their meeting "frank but not unfriendly."

Robert McCloskey, a veteran State Department spokesman now a columnist, recalls describing meetings with a French term — *leur horizon* — which meant "wide-ranging discussion." He used that whenever reporters wanted to zero in on a particular topic, and he wanted to signal that they talked about a lot of things, not only that.

A newer locution in diplomatese is *Sherpa meeting*, an extension of the "summit" metaphor begun in

World War II by Winston Churchill. A *Sherpa* is a member of a Tibetan people, living on the southern slopes of the Himalayas in Nepal, famed for mountain-climbing capabilities; *Sherpa* Tenzing was famous for participating in the first conquest of Mount Everest. In *Sherpa* meetings, diplomats prepare the documents for world leaders to sign at summit meetings.

Churchill was also present at the creation of a ringing diplomatic phrase when he said at the Guildhall in London, in the opening days of World War I, "The maxim of the British people is: Business as usual." This was a defiant maxim, telling the world that not even war could interrupt the steadfast work of the British people.

In the generation between the wars, however, a curious conversion overtook the phrase. "No business as usual" was a sardonic Depression sign, and the once-proud slogan gained a meaning of smugness and complacency. And so it is today: "The United States has made clear," Secretary of State Haig told the Senate Foreign Relations Committee, as he recommended measures to prevent Poland from going into default. "That we will not do business as usual with either Poland or the Soviet Union while repression in Poland continues."

STATE, the official publication of the Department of State, circulated around the world to Foreign Service officers and State employees, has decided to adopt the epicene, or bisexual, pronoun *s/he*.

Concerned about sexual stereotyping, some writers and editors have been looking for ways to avoid sentences like "Everybody should watch his English." One way to avert the suggestion that everybody is a he is to add the words "or her," which strikes me as awkwardly straining to be fair; a better way, if talking to a horde of chairpersons, is to recast such sentences ("We should all watch our English").

"The use of *s/he* is confined to this magazine," says Mr./Master/Miss/Ms. Sanford Watzman, the amiable editor of State, "and does not represent official State Department policy."

Let the editor have his fun; let editors generally have their fun, but do not let the editor have his or her fun. Avoid such artificial devices as "What did *s/he* say?" It's unspeakable.

New York Times Service

By R.W. Apple Jr.

New York Times Service

LONDON — They come from the hills of central France. As youngsters, they tasted the superb gastronomic specialties of the surrounding region — Charolais beef, Burgundian and Burgundy wines, Bresse chickens, Auvergne cheeses.

So it is not surprising that Albert and Michel Roux decided to become chefs. What is surprising is that they chose to pursue their careers in England, which had previously shown a limited appetite for the best French cooking, and that they changed the whole character of the restaurant trade in London.

There were good French restaurants here before the Roux brothers arrived. But they set out to create great ones, and this year they have received their reward — a third star from the Michelin Guide, the first ever awarded to a restaurant in Britain. In the guide's view, that means that Le Gavroche, the Roux flagship, is as good a restaurant as those of Alain Chapel and the Troisgros brothers in Los Angeles. And this month the Roux brothers will open their first restaurant on their native soil, the Chateau de Montreuil at Montreuil, near Boulogne-sur-Mer.

Albert Roux describes as "the best all-rounder we have ever had," and who also worked in France at the restaurants of Alain Chapel and the Troisgros brothers, is planning a restaurant in Los Angeles. And this month the Roux brothers will open their first restaurant on their native soil, the Chateau de Montreuil at Montreuil, near Boulogne-sur-Mer.

Common Theme The names of the four London restaurants are linked by a common theme. *Gamin* and *gavroche* are French words for street urchins; *gavroche* is a nickname for the old Gavroche, and Francis Poulbot was a French artist who specialized in depicting urchins.

In addition, the restaurants share a tendency, mildly irritating to those familiar with gastronomic French, to use women's names rather than traditional terms to describe their specialties. The Thames River. The Waterside gets two Michelin stars, and a third Roux property, the Pont, is in the city, gets one. Two bistros — Le Gamin, near St. Paul's Cathedral, and Gavroche, on the site of the old Gavroche — complete the empire.

Gavroche gets a red M, which the guide awards to restaurants serving a somewhat less elaborate but nonetheless always carefully prepared meal. As if that were not enough, the brothers hold minority interests in two other London restaurants run by former cooks at the Gavroche: Tante Claire, which has two stars, and L'Interdite de Tabillon, which has one.

There is more to come. Peter Chandler, another veteran of the Roux kitchens, now cooking for a firm of stockbrokers in the city, is to open a restaurant here next year. He is English. Michael Hutchins, an American whom



Albert Roux (left), brother Michel at La Gavroche in London.

weeping willows and oaks beside the Thames River. The Waterside gets two Michelin stars, and a third Roux property, the Pont, is in the city, gets one. Two bistros — Le Gamin, near St. Paul's Cathedral, and Gavroche, on the site of the old Gavroche — complete the empire.

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But the food, too, seems slightly better than that at the old Gavroche, perhaps because of the gleaming kitchen, perhaps because the morale of the staff has been lifted by the more elegant surroundings.

Nonetheless, there are those who question whether the Gavroche is the equal of the best in France. Claude Jolly, the restaurant critic of the French weekly *L'Express* and a frequent customer, is one of the doubters. So is Egon Ronay, who publishes the *French* magazine. He gives two stars to the Gavroche and three to the Waterside, where Michel Roux practices a somewhat more elaborate style of cooking than his brother. Christopher Driver, editor of the *Good Food Guide*, considers the Gavroche among Britain's best places but thinks there are others equally deserving of the highest ranking.

An official told reporters: "We

Letter From Geneva

Alpine Aerial Anatomy

By John Chadwick

GENEVA — Howard Ticknor, of Miami, Fla., is a man who goes looking for lightning.

Snowstorms, hurricanes — whatever sort of weather means trouble — is where Ticknor means his four-engine Lockheed 188 research plane. "It goes with the job," the former U.S. Air Force pilot said.

As part of a multinational team which last week began a two-month weather probe based at Geneva airport, Ticknor has the whole of the Alps, with all its climatic hazards, as his workshop.

The World Meteorological Organization (WMO) has launched this massive survey of Europe's biggest mountain chain in order to learn more about its weather patterns and what causes cyclones, heavy rains and snow flurries in the areas dominated by the Alps.

WMO hopes thereby to improve its worldwide weather forecasts for mountainous areas. New knowledge gained in the Alps will also be used for the U.S. Rockies, the Andes or the mountains of Tibet. Ticknor, 49, a lean, rangy man for whom after 21 years flying a plane is as natural as walking, is one of a team of pilots who will crisscross the Alps at different heights to get the data.

Weather research flying is no sinecure, years of probing thunderstorms for the U.S. National Oceanic and Atmospheric Administration have shown him. "We fly straight into lightning. The idea is to seek out the worst weather possible, if that's what the scientist sitting in the back wants. He decides the nature of the mission."

"I was flying once in Norway when I was caught in the middle of a snowstorm. The rear of the plane was hit by lightning and when I got down I found the tailplane hinge bolts had melted away."

"Lightning can look pretty spectacular from the cockpit. Sometimes you see a bolt coming straight at you and you grip your seat-belt. Or, it really hits. Without your belt you would jump straight out of your seat."

Nineteen countries, including Russia, are taking part in "AlpeX" (Alpine Experiment), which will utilize 17 planes, 11 ships in the Mediterranean and Adriatic seas, an earth satellite and a host of ground stations and buoys.

An official told reporters: "We

chose the Alps in spite of the modest size compared with the Andes, Rockies and the Tibetan range, because they produce more of the severe weather phenomena encountered in other mountain areas of the world."

Mountain complexes influence the climate on several scales, he said. On the planetary scale, they can change the airflow over a whole hemisphere, affecting weather worldwide.

On the next smaller scale — the cyclonic — winds pushed up and over mountains in their path cause powerful disturbances on the downstream side. This is particularly true in the Alps, resulting in the "Genoa cyclones" which have ravaged Alpine valleys in Italy and produced flood slides in coastal cities like Venice.

Downslope Winds On the smallest scale, mountains cause weather phenomena like the *mistral* in France, the *Föhn* in Bavaria, the *bura* in Yugoslavia and the Chinook in the Rockies. "The mechanism of these winds, reaching up to 200 kilometers (125 miles) an hour, is not yet fully understood," an AlpeX spokesman said.

For this purpose, a vertical stack of aircraft will make co-ordinated traverses over the St. Gotthard and Brenner passes, directly over lines of highly accurate ground pressure stations. A similar exercise will be carried out over the Dalmatian coast.

Lower altitudes will be flown by the two turbo-prop Lockheed aircraft flown by Ticknor and his colleague Gilbert Summers, of the U.S. atmospheric research center in Boulder, Colo.

A twin-engine executive jet provided by the West German Air and Space Research Institute, near Munich, will fly upper levels up to 41,000 feet (12,500 meters).

Four-meter (13-foot) long "gust probes" will be towed from the noses of the planes and they are also fitted with downward-facing cameras for infra-red pictures of weather patterns.

Passenger compartments have been converted into computer rooms with a bewildering array of cables, television screens, oscilloscope dials and teleprinters. Here, scientists will do the preliminary work on information gathered in flights of up to six hours, before further processing at operation headquarters in Geneva.

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